Fourth United Nations Conference on the Least Developed Countries

Distr.: General
1 November 2010

Original: English

Istanbul, Turkey
9-13 May 2011

Intergovernmental Preparatory Committee for the Fourth United Nations Conference on the Least Developed Countries
First session
New York, 10-14 January 2011
Item 2 of the provisional agenda
Adoption of the agenda and organization of work

Provisional agenda

1. Election of officers.
2. Adoption of the agenda and organization of work.
3. Organizational and substantive preparations for the Conference.
4. Other business.
5. Adoption of the report of the Intergovernmental Preparatory Committee.

Annotations

The first session of the Intergovernmental Preparatory Committee for the Fourth United Nations Conference on the Least Developed Countries will be convened from 10 to 14 January 2011 at United Nations Headquarters in New York, pursuant to paragraph 5 of General Assembly resolution 64/213. The Intergovernmental Preparatory Committee will: undertake substantive preparations for the Conference, including a review of progress in the preparatory process for the Conference and its organization and a comprehensive appraisal of the implementation of the Programme of Action by the least developed countries and their development partners; identify effective international and domestic policies in the light of the outcome of the appraisal, as well as new and emerging challenges and opportunities and the means to address them; reaffirm the global commitment to addressing the special needs of the least developed countries; and mobilize additional international support measures and action in favour of the least developed countries.

1. Election of officers

Following consultations with regional coordinators, it is proposed that the bureau of the Intergovernmental Preparatory Committee should be composed of 10 members,

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namely the Chair, eight Vice-Chairs and the Rapporteur, with account being taken of the need to ensure equitable geographical distribution. Furthermore, Turkey, which is hosting the Conference, and the coordinator of the Group of Least Developed Countries should be fully associated with the work of the bureau as ex officio members.

2. Adoption of the agenda and organization of work

The provisional agenda has been drawn up by the Secretariat in keeping with traditional practice.

Suggestions for the organization of work and a tentative timetable of meetings are annexed to the present annotations.

3. Organizational and substantive preparations for the Conference

The Intergovernmental Preparatory Committee is expected to consider the substantive preparations for the Conference, especially on the basis of the national reports and reports of the regional review meetings.

As decided by the General Assembly in its resolution 63/227, the Conference has the aim of, among other things, undertaking a comprehensive appraisal of the implementation of the Brussels Programme of Action by the least developed countries and their development partners, sharing best practices and lessons learned and identifying obstacles and constraints encountered as well as actions and initiatives needed to overcome them. Further, the Conference should identify effective international and domestic policies in the light of the outcome of the appraisal, as well as new and emerging challenges and opportunities and the means to address them. The Conference is also expected to reaffirm the global commitment to addressing the special needs of the least developed countries made at the major United Nations conferences and summits, including the Millennium Summit and the 2005 World Summit, in particular the needs related to sustainable development in its economic, social and environmental dimensions, and to support the least developed countries in eradicating poverty and integrating beneficially into the global economy. Finally, the Conference is tasked with mobilizing additional international support measures and action in favour of the least developed countries, and, in this regard, formulating and adopting a renewed partnership between the least developed countries and their development partners.

For the consideration of item 3, the Intergovernmental Preparatory Committee will have before it the following documentation:

(a) Review of the preparatory process for the Fourth United Nations Conference on the Least Developed Countries (A/CONF.219/IPC/2);

(b) Report of the regional-level preparatory review meeting for Africa and Haiti (A/CONF.219/IPC/3);

(c) Report of the regional-level preparatory review meeting for Asia-Pacific and Yemen (A/CONF.219/IPC/4);

(d) Background documents:

(i) Report of the Secretary General on the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/65/80-E/2010/77);

(ii) Compilation of national reports on the review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010;[1]

(iii) Chapter III of the report of the Committee for Development Policy on its twelfth session (E/2010/33), on "International support measures for the least developed countries" (as per paragraph 2 of Economic and Social Council resolution 2010/9);

(iv) *The Least Developed Countries Report 2010* (UNCTAD/LDC/2010);

(v) Report of the pre-Conference ministerial meeting on "Enhancing the mobilization of financial resources for least developed countries' development", Lisbon, 2-3 October 2010.

4. Other business

5. Adoption of the report of the Intergovernmental Preparatory Committee

The report of the Intergovernmental Preparatory Committee on its first session will be submitted to the Intergovernmental Committee at its second session, which will be held from 4 to 8 April 2011 in New York, and to the Fourth United Nations Conference on the Least Developed Countries, which will be held in Istanbul from 9 to 13 May 2011.

[1] National reports were submitted by Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, the Comoros, the Democratic Republic of the Congo, Djibouti, Ethiopia, the Gambia, Guinea-Bissau, Kiribati, the Lao People's Democratic Republic, Lesotho, Mali, Mauritania, Mozambique, Nepal, the Niger, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, the Solomon Islands, the Sudan, Togo, Tuvalu, Uganda, the United Republic of Tanzania, Yemen and Zambia (also available from www.un.org/wcm/content/site/ldc/lang/en/pid/11422).

Annex

Proposed organization of the work for the first session of the Intergovernmental Preparatory Committee for the Fourth United Nations Conference on the Least Developed Countries

Date/time	*Agenda item*	*Programme*
Monday, 10 January		*First and second plenary meetings*
10 a.m.-1 p.m.		Opening statement by the Secretary-General of the Conference, Mr. Cheick Sidi Diarra
	1	Other statements
	2	
3-6 p.m.	3	Presentation by the Secretary-General of the Conference
	3	General debate
Tuesday, 11 January		*First and second informal meetings*
10 a.m.-1 p.m.		Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
3-6 p.m.		Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
Wednesday, 12 January		*Third and fourth informal meetings*
10 a.m.-1 p.m.		Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
3-6 p.m.		Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
Thursday, 13 January		*Fifth and sixth informal meetings*
10 a.m.-1 p.m.		Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
3-6 p.m.		Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
Friday, 14 January		*Seventh informal meeting and third plenary meeting*
10 a.m.-1 p.m.		Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners

Date/time	*Agenda item*	*Programme*
3-6 p.m.	4	Concluding remarks by the Secretary-General of the Conference
	5	Closure of the first session of the Intergovernmental Preparatory Committee

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Fourth United Nations Conference on the Least Developed Countries

Distr.: General
9 December 2010

Original: English

Istanbul, Turkey
9-13 May 2011

Intergovernmental Preparatory Committee for the Fourth United Nations Conference on the Least Developed Countries

First session
New York, 10-14 January 2011

Provisional agenda

1. Opening of the first session.
2. Preparations for the Conference: briefings and presentations.
3. General debate.
4. Consideration of the draft outcome document of the Conference.
5. Other matters.
6. Adoption of the report of the Intergovernmental Preparatory Committee.

Annotations

The first session of the Intergovernmental Preparatory Committee for the Fourth United Nations Conference on the Least Developed Countries will be convened from 10 to 14 January 2011 at United Nations Headquarters in New York, pursuant to paragraph 5 of General Assembly resolution 64/213. The Intergovernmental Preparatory Committee will undertake substantive preparations for the Conference, including a review of progress in the preparatory process for the Conference and its organization and a comprehensive appraisal of the implementation of the Programme of Action by the least developed countries and their development partners; identify effective international and domestic policies in the light of the outcome of the appraisal, as well as new and emerging challenges and opportunities and the means to address them; reaffirm the global commitment to addressing the special needs of the least developed countries; and mobilize additional international support measures and action in favour of the least developed countries.

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2. Preparations for the Conference: briefings and presentations

The Intergovernmental Preparatory Committee is expected to consider the substantive preparations for the Conference, especially on the basis of the national reports and reports of the regional review meetings.

As decided by the General Assembly in its resolution 63/227, the Conference has the aim of, among other things, undertaking a comprehensive appraisal of the implementation of the Brussels Programme of Action by the least developed countries and their development partners, sharing best practices and lessons learned and identifying obstacles and constraints encountered, as well as actions and initiatives needed to overcome them. Further, the Conference should identify effective international and domestic policies in the light of the outcome of the appraisal, as well as new and emerging challenges and opportunities and the means to address them. The Conference is also expected to reaffirm the global commitment to addressing the special needs of the least developed countries made at the major United Nations conferences and summits, including the Millennium Summit and the 2005 World Summit, in particular the needs related to sustainable development in its economic, social and environmental dimensions, and to support the least developed countries in eradicating poverty and integrating beneficially into the global economy. Finally, the Conference is tasked with mobilizing additional international support measures and action in favour of the least developed countries, and, in this regard, formulating and adopting a renewed partnership between the least developed countries and their development partners.

For the consideration of item 2, the Intergovernmental Preparatory Committee will have before it the following documentation:

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(b) Report of the regional-level preparatory review meeting for Africa and Haiti (A/CONF.219/IPC/3);

(c) Report of the regional-level preparatory review meeting for Asia-Pacific and Yemen (A/CONF.219/IPC/4 and Corr.1);

(d) Background documents:

(i) Report of the Secretary-General on the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/65/80-E/2010/77);

(ii) Compilation of national reports on the review of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010;[1]

(iii) Chapter III of the report of the Committee for Development Policy on its twelfth session (E/2010/33), on "International support

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measures for the least developed countries" (in accordance with para. 2 of Economic and Social Council resolution 2010/9);

(iv) *The Least Developed Countries Report 2010* (UNCTAD/LDC/2010);

(v) Report of the pre-Conference ministerial meeting on "Enhancing the mobilization of financial resources for least developed countries' development", Lisbon, 2-3 October 2010.

4. Consideration of the draft outcome document of the Conference

5. Other matters

6. Adoption of the report of the Intergovernmental Preparatory Committee

The report of the Intergovernmental Preparatory Committee on its first session will be further considered and finalized by the Intergovernmental Committee at its second session, which will be held from 4 to 8 April 2011 in New York, and will be submitted to the Fourth United Nations Conference on the Least Developed Countries, which will be held in Istanbul from 9 to 13 May 2011.

Annex

Proposed organization of the work for the first session of the Intergovernmental Preparatory Committee for the Fourth United Nations Conference on the Least Developed Countries

Date/time	*Agenda item*	*Programme*
Monday, 10 January		*First and second plenary meetings*
10 a.m.-1 p.m.	1	Opening of the session by the Chair
		Statement by the Secretary-General of the Conference, Mr. Cheick Sidi Diarra
	2	Briefings and presentations on preparations for the Conference
3-6 p.m.	3	General debate
Tuesday, 11 January		*Third and fourth plenary meetings*
10 a.m.-1 p.m.	3	General debate
3-6 p.m.	3	General debate
Wednesday, 12 January		*First and second informal meetings*
10 a.m.-1 p.m.	4	Consideration of the draft outcome document of the Conference
		Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
3-6 p.m.	4	Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
Thursday, 13 January		*Third and fourth informal meetings*
10 a.m.-1 p.m.	4	Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
3-6 p.m.	4	Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners
Friday, 14 January		*Fifth informal meeting and fifth plenary meeting*
10 a.m.-1 p.m.	4	Informal consultations on the formulation of a renewed partnership between the least developed countries and their development partners

Date/time	*Agenda item*	*Programme*
3-6 p.m.	5	Other matters
	6	Adoption of the report of the Intergovernmental Preparatory Committee
		Concluding remarks by the Secretary-General of the Conference
		Closure of the first session of the Intergovernmental Preparatory Committee

United Nations A/CONF.219/IPC/2

Fourth United Nations Conference on the Least Developed Countries

Distr.: General
2 November 2010

Original: English

Istanbul, Turkey
9-13 May 2011

Intergovernmental Preparatory Committee for the Fourth United Nations Conference on the Least Developed Countries
First session
New York, 10-14 January 2011
Item 3 (a) of the provisional agenda*
Substantive preparations for the Conference: review of progress in the preparatory process for the Conference and its organization

Review of the preparatory process for the Fourth United Nations Conference on the Least Developed Countries

Summary

The present report covers the state of preparations for the Fourth United Nations Conference on the Least Developed Countries, as of the end of October 2010.

* A/CONF.219/IPC/1.

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I. Introduction

1. In its resolution 63/227, the General Assembly decided to convene the Fourth United Nations Conference on the Least Developed Countries at a high level in the year 2011, with the mandate to comprehensively assess the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010; share best practices and lessons learned, and identify obstacles and constraints encountered as well as actions and initiatives needed to overcome them; identify new challenges and opportunities for least developed countries; reaffirm the global commitment to address the special needs of the least developed countries; mobilize additional international support measures and action in favour of the least developed countries, and, formulate and adopt a renewed partnership between the least developed countries and their development partners.

2. In the same resolution, the Assembly also decided to convene, towards the end of 2010 and/or early in 2011, no more than two meetings of the intergovernmental preparatory committee, to be preceded by two regional-level preparatory meetings, supported by broad-based and inclusive country-level preparations.

3. In its resolution 64/213, the General Assembly welcomed and accepted the generous offer of the Government of Turkey to host the Conference. The meeting of the intergovernmental preparatory committee would be held in New York in two parts, from 10 to 14 January 2011 and from 4 to 8 April 2011, each for five working days.

4. The General Assembly emphasized the importance of country-level preparations as a critical input to the preparatory process for the Conference and the implementation of and follow-up to its outcome. It requested the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to ensure effective, efficient and timely preparations for the Conference and to further mobilize and coordinate the active involvement of the organizations of the United Nations system. It also requested organizations of the United Nations system, including the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD), the regional commissions, the specialized agencies, and funds and programmes, and invited the Bretton Woods institutions, the World Trade Organization and other relevant international and regional organizations, within their respective mandates, to provide necessary support and actively contribute to the preparatory process and to the Conference itself. Furthermore it requested the Secretary-General to ensure, as appropriate, the full involvement of resident coordinators and country teams in preparations for the Conference, in particular in country- and regional-level preparations.

5. The General Assembly mandated that the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States would be the focal point for the preparations for the Conference. In July 2010, the Secretary-General designated Cheick Sidi Diarra, Under-Secretary-General, Special Adviser on Africa and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, as the Secretary-General of the Fourth United Nations Conference on the Least Developed Countries.

II. State of preparations for the Fourth United Nations Conference on the Least Developed Countries

A. Date and venue of the Conference

6. The Fourth United Nations Conference on the Least Developed Countries will be held in Istanbul from 9 to 13 May 2011. It has been agreed in consultation with the Government of Turkey that the Conference will be held in the Lutfi Kirdar Centre in Istanbul.

B. Preparatory process at the country and regional levels

7. The preparatory process for the Conference has been underpinned by a bottom-up approach, starting with country-level preparations feeding into regional- and global-level preparations. National-level consultations were launched in 2009 with the support of United Nations resident coordinators, involving a broad spectrum of stakeholders, including Governments, parliamentarians, civil society and private sector representatives, and culminated in results-oriented, analytical and forward-looking national review reports on the implementation of the Brussels Programme of Action.

8. As at 30 October 2010, 32 least developed countries had submitted their national reports reviewing progress made in all seven areas of the Brussels Programme of Action against the targets contained therein. Countries provided insights on their innovative strategies and best practices to be shared with and emulated by other least developed countries. Major constraints faced by least developed countries were underscored, including the impact of climate change and the financial, food and energy crises, therefore bringing out the unique vulnerabilities of groups of least developed countries, such as landlocked, small islands, food importing, energy importing, labour exporting, countries in conflict and emerging out of conflict. The adequacy of international support received and required to complement their national efforts was also analysed.

9. Two regional preparatory meetings for the Conference were convened,[1] providing an assessment of the implementation of the Brussels Programme of Action with distillation of lessons learned and offering policy platforms setting out both region-specific and global expectations of least developed countries from the Conference.

10. The first regional review meeting, the High-level Asia-Pacific Policy Dialogue on the Brussels Programme of Action for the Least Developed Countries was held at the ministerial level from 18 to 20 January 2010 in Dhaka, hosted by the Government of Bangladesh and organized in cooperation with the Office of the High Representative and the Economic and Social Commission for Asia and the Pacific (ESCAP). The Asia-Pacific least developed countries attended, including Yemen, as well as other member States and major stakeholders of the Brussels Programme of Action. The meeting adopted the Dhaka Outcome Document, which was taken note

[1] The reports of the two regional reviews are being made available as documents A/CONF.219/IPC/3 and A/CONF.219/IPC/4.

of by the Commission at its sixty-sixth annual session, held in Incheon, Republic of Korea, in May 2010.

11. The second regional preparatory meeting was organized jointly by the Office of the High Representative, the Economic Commission for Africa (ECA) and the UNDP Regional Bureau for Africa. It took place in Addis Ababa on 8 and 9 March 2010 at the ministerial level and was attended by Government officials from 25 African least developed countries, as well as parliamentarians, civil society and private sector representatives, bilateral and multilateral partners as well as regional organizations. The outcome of the Africa Regional Preparatory Meeting was endorsed by the Third Annual Joint African Union Conference of Ministers of Economy and Finance and the ECA Conference of Ministers of Finance, Planning and Economic Development, which took place in Lilongwe in March 2010.

C. Expert-level substantive preparations

12. As part of the preparatory process for the Conference, a number of expert-level preparatory meetings were held under the overall coordination and guidance of the Office of the High Representative with a view to review progress in the implementation of the Brussels Programme and examine the priorities of least developed countries for the next development decade.

13. A panel event on the topic "Resource mobilization for least developed countries' sustainable growth and development" was organized by the Permanent Mission of Turkey to the United Nations, in close cooperation with the Office of the High Representative, on 19 May 2010 in New York at Columbia University. In his keynote speech, Kemal Dervis, Vice-President of the Global Economy and Development Programme at the Brookings Institution and former UNDP Administrator, stressed that least developed countries would be affected by the long-term effects of the financial and economic crisis, especially through the increased volatility of commodity prices, foreign direct investment and aid flows as well as interest and exchange rates, which increased uncertainty and vulnerability. Other panellists highlighted the bottlenecks towards development faced by least developed countries, for example, low agricultural productivity, vulnerability to external shocks or post-conflict issues. The advantages of budget support were underscored, especially for highly aid-dependent countries, and the complementarities of aid and private capital flows. It was stressed that not only the quantity of aid needed to increase but also its quality, particularly with respect to aligning its sectoral allocation with the priorities of recipient countries, including infrastructure, technology and skills development. The establishment of dedicated thematic funds to provide predictable finance for least developed countries was proposed. The presentations sparked a lively discussion among the over 70 participants, including on the role of new donors, aid conditionalities, innovative financing instruments and the complementarities between aid and other international support measures for least developed countries.

14. The forty-ninth executive session of the Trade and Development Board, held in Geneva on 8 and 9 June 2010, engaged in substantive discussions on (a) assessing least developed countries' performance since 2001 in areas covered by the UNCTAD mandate; (b) determining the key development challenges facing the least developed countries in the next decade; and (c) looking ahead at how to promote

structural transformation in least developed countries. The UNCTAD report entitled "In quest of structural progress: revisiting the performance of the least developed countries"[2] provided background analysis. The President of the Board prepared a summary of the discussions, including a set of recommendations put forward by participants on issues such as the need for a new development approach, addressing specific vulnerabilities, agriculture and food security, trade diversification, investment promotion and development finance.

15. The Permanent Missions of Belgium, Nepal and Turkey, with the collaboration of the Office of the High Representative and the Department of Economic and Social Affairs organized a side event to the Economic and Social Council 2010 Development Cooperation Forum on the topic "Enhancing international cooperation for least developed countries' development and transformation". The event took place in New York on 30 June 2010 with the objective to stimulate discussion among experts, development practitioners and policymakers on the role of development cooperation in least developed countries' sustainable development, notably in supporting the reduction of their vulnerability through structural transformation and their economic and social development in combination with other reforms. Panellists included Masihur Rahman, Economic Affairs Adviser to the Prime Minister of Bangladesh, Andris Piebalgs, European Commissioner for Development and Patrick Guillaumont of the Centre d'Études et de Recherches sur le Développement International.

16. A brainstorming meeting on the substantive preparations for the Conference was organized by the Office of the High Representative from 14 to 16 July 2010 on the theme "Towards a new partnership for least developed countries". The meeting helped to synthesize the lessons learned from implementing the Brussels Programme of Action that would feed into the substantive content of the next development agenda and the methodology for monitoring progress. As pointed out in her closing remarks by the Director of the Office of the High Representative, key conclusions emerged from the brainstorming as important for the formulation of a renewed partnership, including that: (a) supporting least developed countries' development was both a moral and an ethical imperative — least developed countries needed the world but the world also had an important political, economic, environmental and peace and security related stake in getting least developed countries out of their poverty and vulnerability trap; (b) business as usual would not do and the new programme of action needed to represent a new commitment of political will and deployment of efforts and resources on an unprecedented scale and scope in a number of policy areas by both the least developed countries themselves and their development partners; (c) there was need to have concrete deliverables, goals, mechanisms and targets for accountability, including more effective follow-up and monitoring mechanism; (d) least developed countries needed to particularly work on development governance and strategies focusing on endogenously driven growth and sustainable development; (e) apart from strengthening the traditional international support measures in the area of trade and aid, a new generation of international support measures with regard to aid, trade, investment, transfer of technology, innovative sources of finance, and so forth, was indispensable for the success of a new programme of action. On that basis, the Office prepared a synthesis document outlining "Draft elements of a possible new programme of

[2] UNCTAD documents TD/B/EX(49)/2, TD/B/EX(49)/2/Corr.1 and 2.

action for least developed countries for the next decade", with a view to focus ideas and stimulate thinking among all stakeholders in preparation for the Conference.

D. Consultations with the Government of Turkey

17. The Secretary-General of the Conference visited Ankara and Istanbul from 12 to 16 April 2010 to discuss substantive and organizations aspects for the Conference with the host country Government. The visit included meetings with key political authorities in the Ministry of Foreign Affairs and other relevant ministries and sought to address the following issues and to exchange views on the policy and strategic aspects of the Conference: the role of the Government of Turkey in the preparatory process; the role of parliamentarians; and civil society and private sector preparations and media coverage.

18. The Office of the High Representative, along with key United Nations Secretariat departments, such as the Conference Management Service, the Security and Safety Service, the Office of Information Technology and the Department of Public Information, undertook two planning missions to Istanbul and Ankara from 28 June to 2 July and from 18 to 22 October 2010. The missions held extensive discussions with the host country authorities and viewed the excellent facilities being made available for the Conference.

E. Group of Eminent Persons

19. The Secretary-General appointed a Group of Eminent Persons, co-chaired by Alpha Oumar Konaré, former President of Mali, and James Wolfensohn, former President of the World Bank, to advise on the international support measures needed to accelerate development in the least developed countries. The members of the Group have been selected in the light of their international stature, expertise and strong commitment to development issues. The Group is tasked with assisting the United Nations system in its efforts to build political will and mobilize global action that will result in a new programme of action for the least developed countries for the next decade. The Group will also undertake efforts to raise public awareness on important issues affecting the least developed countries in key areas such as trade, investment, technology transfer, official development assistance, building of productive capacities, adaptation to the effects of climate change, and the creation of a stimulus package for least developed countries to manage the impact of the global financial crisis. The Group had its first meeting on 13 October 2010 in New York and is expected to present its report of recommendations to the Secretary-General in March 2011, envisaging new paradigms for transforming the economies of least developed countries.

F. Coordination of United Nations system-wide preparations

20. The Office of the High Representative organized four inter-agency consultative group meetings during 2009 and 2010 to coordinate the United Nations system activities in support of the preparatory process for the Conference. These meetings were held alternatively in New York and Geneva to ensure full involvement and active participation of all United Nations system organizations.

Forty-five United Nations system entities and other relevant organizations participated in the inter-agency meetings that reviewed the organizational structure of the preparatory process and agreed on the list of pre-Conference events as well as other substantive contributions, such as pre-Conference publications. At the most recent inter-agency meeting held in Geneva on 26 October 2010, partners reviewed the list of proposed side events to be held on the margins of the Conference with the objective of enhancing inter-agency cooperation on cross-cutting priority themes.

21. Several thematic pre-Conference events already took place with participation of all stakeholders. Their outcomes would provide important substantive inputs to the outcome document of the Conference.

22. The first event was jointly organized by the United Nations Industrial Development Organization and the Office of the High Representative, in Vienna on 3 and 4 December 2009 on the theme "The impact of the global financial and economic crisis on the least developed countries' productive capacities and trade". The resulting Plan of Action has the objective to achieve economic diversification among least developed countries in order to enhance food security and productive capacities and to reduce vulnerability to external shocks.

23. A seminar on the topic "Migration, development and remittances in the least developed countries' context" was co-organized by the United Nations Institute for Training and Research, in collaboration with the International Organization for Migration, the United Nations Population Fund and the MacArthur Foundation, in cooperation with Office of the High Representative and the Permanent Mission of Nepal to the United Nations, on 17 June 2010 in New York. In order to facilitate the transfer of remittances, the seminar concluded that home and host countries can lower transfer costs, through improved technology, regulatory changes, and removing taxation on repatriated remittances. To make the most out of remittances, a larger share should be channelled into productive use and private sector development activities through co-development schemes.

24. The Ministerial Meeting on the theme "Enhancing the mobilization of financial resources for least developed countries' development" was held in Lisbon, on 2 and 3 October 2010 and was co-organized by the Office of the High Representative and the Government of Portugal, which generously provided the necessary financial resources to ensure the effective participation of least developed countries. The Meeting benefited from the active participation of least developed countries and their partner countries. It stressed the importance of domestic resource mobilization, improving the quantity and quality of official development assistance to least developed countries, attracting foreign direct investments to least developed countries' priority sectors through home country incentives and the importance of innovative sources of finance, including new Special Drawing Rights and taxes on international transactions. The Meeting concluded that the growing development needs of least developed countries as well as the multiple global crises require a global stimulus package for least developed countries and the creation of a special crisis-mitigation and resilience-building facility for least developed countries to enable them to respond to shocks.

25. A pre-conference event on the theme "Enhanced international support and smooth transition of least developed countries towards graduation" took place on 15 October 2010 as a side event to the Second Committee of the General Assembly. The event, organized by the Office of the High Representative, featured Abul Maal

Abdul Muhith, Finance Minister of Bangladesh, as keynote speaker and benefited from expert presentations from academia, UNCTAD, the Government of Maldives as graduating LDC and the Commission of the European Union as the only development partner having implemented a concrete smooth transition measure. The presentations and ensuing interactive discussions with delegations from least developed countries and partner countries examined the reasons behind the slow progress made by least developed countries towards achieving the internationally agreed goals and graduating from the category and suggested policy measures to make the transition from LDC to post-LDC life a prospect to be looked forward to.

26. The UNCTAD pre-Conference event, held at Geneva from 27 to 29 October 2010, brought together delegates to deliberate on the theme "Building productive capacities in least developed countries for inclusive and sustainable development", in line with UNCTAD policy advice that poverty is best addressed through broad economic progress. The meeting highlighted the opportunities missed by least developed countries over the past decades to improve economic specialization, make sufficient infrastructural investment, and develop science and technology capacities. Delegates examined how focusing on developing productive capacities affected national policies intended to promote development and poverty reduction in least developed countries, as well as the impact on the design of international support measures, particularly those aimed at attracting increased domestic and foreign investment which would lead to job creation and higher value goods and services. That, in turn, would raise salaries and domestic consumer spending, spurring greater economic demand and generating even more jobs.

27. Other pre-Conference events to be held between November 2010 and February 2011 would cover key issues for least developed countries such as science, technology and innovation, challenges and opportunities arising from climate change, aid for trade, promoting democratic governance, enhancing food security through agricultural development, universal access to essential services and intellectual property rights. The Government of India generously offered to host a pre-Conference event in February 2011 on the theme "Harnessing the positive contribution of South-South cooperation for least developed countries' development" in New Delhi at the ministerial level, including the provision of the necessary financial resources to ensure the effective participation of least developed countries.[3]

G. Advocacy and promotion of the Conference

28. The Office of the High Representative has formulated, in close cooperation with the Department of Public Information, a communication strategy for the Conference. The strategy will focus on:

(a) In the least developed countries: increasing awareness, mobilizing grass-roots involvement and building confidence;

(b) In donor countries: increasing public awareness and substantive knowledge of least developed countries issues and mobilizing greater political support and resources for action;

[3] A more detailed report on all pre-Conference events will be submitted to the second session of the Intergovernmental Preparatory Committee.

(c) In emerging donor countries: increasing public awareness and substantive knowledge of least developed countries' issues, expanding partnerships and alliances and mobilizing greater political support and resources for action.

29. Press conferences in New York and Geneva have been held to brief the United Nations-accredited press corps about progress made in the Conference preparations. Several media interviews (radio, television and print) have been conducted with the Secretary-General of the Conference. Further, a series of press statements have been released to coincide with the launch of the Group of Eminent Persons and the first meetings of the Civil Society and Private Sector Steering Committees in New York in October 2010.

30. A Conference-specific website (https://www.un.org/wcm/content/site/ldc/home) has been created in collaboration with the Department of Public Information. A logo has been designed by the Office of the High Representative in consultation with the Department.

H. Meeting of Ministers of the least developed countries

31. The Ministerial Meeting of least developed countries was held on 27 September 2010 on the margins of the general debate of the sixty-fifth session of the General Assembly. Chaired by Bhim Bahadur Rawal, Minister for Home Affairs of Nepal, the meeting adopted a Ministerial Declaration embodying the group's position and identifying priority actions and expectations of concrete deliverables at the Conference. Ministers recognized that while some progress had been achieved, most countries remained poor and fragile. The economic, food and energy crises, as well as the impact of climate change, had reversed some of that progress. Enhanced assistance from the international community was necessary to bring the development process back on track. The need for greater visibility of least developed countries on the international agenda was highlighted. The Conference represented a crucial opportunity to formulate a comprehensive results-oriented programme of action to promote the development and transformation of least developed countries. Ministers also stressed the need for the Conference follow-up to be strictly monitored and its outcome effectively enacted.

I. Resource mobilization for the preparatory process for the Conference

32. The Office of the High Representative prepared a project document to mobilize resources to support the substantive preparations for the Conference. Following the submission of the document, the High Representative initiated consultations with representative donor countries, emerging donors and international organizations to mobilize resources for the Conference and its preparatory activities. Generous support has been offered from the Government of Turkey, which has granted $2 million for the preparatory process. Other donors who contributed to the Least Developed Country Trust Fund managed by the Office of the High Representative include India ($250,000 for least developed countries' participation), Belgium (400,000 euros) and Finland ($50,000 for least developed countries' participation). Pledges made so far fall short of the total budget for the preparatory activities and for ensuring the effective participation of least developed countries to

the two sessions of the Intergovernmental Preparatory Committee and the Conference itself. Therefore, other donors are called upon to contribute as soon as possible to support the substantive and logistic preparations for the Conference.

J. Participation and contribution of civil society

33. To ensure the participation of a broad spectrum of stakeholders in the Conference, the Office of the High Representative held numerous consultations with civil society representatives, especially from the least developed countries, to mobilize civil society input into the preparatory process and the Conference. A concept note has been prepared to guide civil society participation and substantive contributions to the Conference, and to set the structure for the civil society track.

34. The Office of the High Representative has provided substantive and financial support to the holding of two regional civil society reviews in Addis Ababa, and Port Vila, in March and August 2010, respectively. At the latter, participants called for initiating, collaborating and partnering with civil society organizations and citizens in the planning, implementation and achievements of national priorities and the Brussels Programme of Action in order to accelerate graduation from least developed country status.

35. In October 2010, the Office of the High Representative launched the Civil Society Steering Committee, which is expected to provide the substantive guidance to civil society engagement in the Conference. It will meet at least four times during the preparatory process. Two of the meetings would be scheduled to coincide with the meetings of the Intergovernmental Preparatory Committee in New York. In addition, to ensure the effective functioning of the Steering Committee, the Office of the High Representative provided financial assistance for the establishment of a civil society secretariat in Kathmandu.

36. Moreover, the Office of the High Representative has supported the participation of at least two members of the Steering Committee to major pre-Conference events, where speaking slots were afforded to ensure that civil society concerns are fully integrated into the preparatory process. This involvement recognizes civil society's vital role in representing and giving voice to the needs and aspirations of ordinary people in the least developed countries. Given its community-level presence, civil society is able to bring the experiences, concerns and priorities of ordinary citizens to the policymaking process.

37. Finally, a web portal geared specifically towards civil society (http://www.un-ngls.org/ldc4) has been launched in collaboration with the United Nations Non-Governmental Liaison Services.

K. Participation and contribution of the private sector

38. The Office of the High Representative has also launched preparations for the active involvement of the private sector. Given its pivotal role in the structural transformation of the least developed countries' economies, especially with respect to enhancing productive capacity and diversification, the private sector's contribution to the Conference is expected to identify concrete, action-oriented

proposals addressing problems and challenges specific to least developed countries in the area of investment, enterprise development and finance.

39. The Private Sector Steering Committee of the private sector track of the Fourth Conference was launched by the Office of the High Representative, in close collaboration with the United Nations Global Compact, on 20 October 2010 in New York. Representatives of private sector networks from Africa, Asia-Pacific and North America participated along with three Turkish private sector networks as well as UNDP, UNCTAD and United Nations Office for Partnerships. The meeting agreed that the inclusion of the private sector as a genuine partner in the Conference preparations would be a key factor to guaranteeing a successful outcome of the Conference and recognized the private sector as an agent of change that had the enormous potential to provide opportunities for the poor and enable them to generate incomes.

40. In interactive discussions, the Steering Committee decided on the key steps for the preparation of the private sector track of the Conference and defined individual contributions to be provided. Subcommittees were established to oversee and contribute to the organization of the three private sector track events to be held during the Conference: the Investment and Partnership Summit, the Business Forum and the Trade Fair.

41. The Investment and Partnership Summit is being planned for the afternoon of the first day of the Conference, with the participation of Heads of State and Government and Chief Executive Officers of private corporations. The Summit would aim at identifying action-oriented measures and recommendations, announce concrete projects and partnerships and possibly adopt a declaration by its high-level participants. The Business Forum would take the form of an ongoing event for the duration of the Conference and target Governments, businesses, United Nations system agencies and other development partners and would address key priority themes for least developed countries' private sector development. The Forum would allow for Government-to-business, business-to-business and business-to-Government interaction and promote the forging of partnerships in support of private sector development in least developed countries. Furthermore, the Forum would launch the "Global Business Partnership Forum for Least Developed Countries' Development" with the overarching purpose to promote and oversee the implementation of partnerships towards least developed countries' structural transformation during the next decade. The Trade Fair would be held alongside the Business Forum and involve international investors and buyers. It would showcase least developed countries' commercial opportunities, producers and exporters.

L. Participation and contribution of parliamentarians

42. Given the important role that parliaments play in implementing international commitments, the Office of the High Representative has also initiated consultations with the Inter-Parliamentary Union to mobilize parliamentary involvement in the Conference. A guide on mobilizing parliamentary support for the Brussels Programme of Action was issued jointly with the Union. Parliamentarians were actively involved in both country and regional-level preparations. A separate parliamentarians' forum would be organized on the day before the start of the Conference in Istanbul. These activities aim at strengthening parliamentary

ownership of the new programme of action and at ensuring more effective follow-up by the legislature as much as the executive in both least developed countries and their development partners during the next decade.

M. Proposed structure of the Conference

43. The proposed structure of the Conference would follow the outline of previous conferences, in particular the Third United Nations Conference on the Least Developed Countries and recent United Nations practice. It would include a high-level opening ceremony, a general plenary, a committee of the whole — with the possibility of bifurcation — negotiating the outcome document, interactive thematic round tables at the ministerial level for policy dialogue on key priority issues and parallel tracks for parliamentarians, civil society and the private sector and side events.

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Fourth United Nations Conference on the Least Developed Countries

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First session
New York, 10-14 January 2011
Item 3 of the provisional agenda*
Substantive preparations for the Conference

Report of the regional preparatory review meeting for Africa and Haiti

Summary

The Africa and Haiti regional preparatory review meeting was held on 8 and 9 March 2010 in Addis Ababa as part of the preparatory process for the Fourth United Nations Conference on the Least Developed Countries that will be held in Turkey in 2011, pursuant to General Assembly resolutions 63/227 and 64/213. The meeting was attended by representatives of 25 African least developed countries, as well as representatives of African parliaments, United Nations agencies, civil society and other stakeholders.

The objective of the meeting was to undertake a comprehensive review of the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 and to propose measures at the national, regional and international levels to advance the development of the least developed countries in the next decade. The meeting deliberated on the progress made towards achieving the objectives of the Brussels Programme of Action and made proposals for a new programme of action.

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The Outcome Document was deliberated on and endorsed at the regional preparatory review meeting on 9 March 2010 and was presented at the 3rd Joint Annual Meeting of the African Union Conference of Ministers of Economy and Finance and the Economic Commission for Africa Conference of Ministers of Finance, Planning and Economic Development, which was held in Lilongwe on 29 and 30 March 2010. At that meeting the Outcome Document was discussed and endorsed (E/ECA/CM/43/4).

Outcome of the Africa regional preparatory review meeting for the Fourth United Nations Conference on the Least Developed Countries

I. Background

1. In resolutions 63/227 and 64/213, the General Assembly decided to convene the Fourth United Nations Conference on the Least Developed Countries in Istanbul, Turkey, in the second half of 2011, at the highest political level. The Conference is expected to undertake a comprehensive appraisal of the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, identify progress, challenges and lessons learned, and in the light of the review, adopt a renewed and strengthened global partnership for the development of the least developed countries in the next decade.

2. In the same resolution the General Assembly also decided to convene two intergovernmental preparatory committee meetings. The first intergovernmental preparatory committee meeting will be convened in January 2011 while the second meeting is scheduled for April 2011. These preparatory committee meetings are to be preceded by two regional-level preparatory meetings, one for the Asia-Pacific region and the other for the Africa region and Haiti.

3. It is against this backdrop that the Economic Commission for Africa (ECA) organized, in close coordination and cooperation with the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS) and the United Nations Development Programme (UNDP) Regional Bureau for Africa, the Africa regional preparatory meeting for the Fourth United Nations Conference on the Least Developed Countries on 8 to 9 March 2010 in Addis Ababa.

4. Ministers, parliamentarians and senior officials from 25 African least developed countries, members of the Global Coordinating Bureau of the group of the least developed countries, the United Nations system, relevant regional organizations, development partners, and the broad spectrum of civil society attended the African regional preparatory meeting. The international coordinator of LDC Watch also made a statement. The list of countries and organizations which participated in the meeting is annexed to the present report.

5. The objective of the meeting was to undertake a comprehensive review of the implementation of the Programme of Action for the least developed countries for the decade 2001-2010, assess the effectiveness of the existing mechanisms for follow-up, monitoring and review and propose measures at national, regional and international levels to advance the development of the least developed countries in the next decade. The meeting benefited from broad-based national consultations involving a wide spectrum of stakeholders including governments, parliamentarians, civil society and private sector actors, bilateral and multilateral development partners and United Nations agencies.

6. The meeting was officially opened by Mr. Mekonnen Manyazewal, State Minister, Ministry of Finance and Economic Development of the Federal Democratic Republic of Ethiopia. Mr. Abdoulie Janneh, Executive Secretary of ECA and Mr. Cheick Sidi Diarra, Under-Secretary-General and High Representative for

the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States made opening statements. The United Nations Resident Coordinator ad interim Mr. Samuel Nyambi also delivered a statement on behalf of the Administrator of the United Nations Development Programme. An interactive high-level round table was held where ministers, parliamentarians, the Under-Secretary-General, the Executive Secretary of ECA, the deputy Director-General of the World Trade Organization (WTO), as well as senior government officials from the least developed countries, made further substantive contributions to the debate.

7. The meeting recalled the Ministerial Declaration of the least developed countries, adopted by the ministers of foreign affairs on 29 September 2009 and their recommendations. The meeting also recalled the relevant General Assembly resolutions, including 63/227, and 64/213.

8. The exchange of views and extensive deliberations at the two-day preparatory regional meeting produced this Addis Ababa Outcome Document. This Outcome Document will be submitted to the 3rd Joint Annual Meeting of the African Union Conference of Ministers of Economy and Finance and the Economic Commission for Africa Conference of Ministers of Finance, Planning and Economic Development in Lilongwe on 29 to 30 March for its consideration. The Outcome Document will serve as an important substantive input into the Fourth United Nations Conference on the Least Developed Countries in Istanbul, Turkey. The international coordinator of LDC Watch also made a statement.

II. Review of the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 in Africa: progress and challenges

9. The implementation of the Brussels Programme of Action in Africa must be addressed within the context of the emerging global challenges and their wide-ranging ramifications and impact on African least developed countries. It has become evident that the world is mired in the worst financial crisis since the Great Depression. High dependence on primary commodities and external finance for development renders the least developed countries vulnerable to the effect of the global financial and economic crisis. The crisis is already undermining those factors that had enabled the strong growth performance of the least developed countries as a group between 2002 and 2007.

10. The meeting expressed deep concern over the wide-ranging adverse impact of the global financial and economic crisis on the realization of the internationally agreed development goals, including the Millennium Development Goals, particularly the efforts to eradicate poverty and hunger and the health-related Millennium Development Goals, and on the ability of developing countries to gain access to the financing necessary for their development objectives.

11. The meeting observed that African least developed countries have made considerable efforts in implementing the commitments contained in the Programme of Action. Wide-ranging economic reforms have been undertaken, including macroeconomic, public sector reform, privatization and trade and financial liberalization. Growth improved considerably during the current decade, averaging over 5 per cent, better than in the 1990s. Several African least developed countries

reached or even surpassed 7 per cent growth per annum in the mid-years of the decade (2004-2008), prior to the negative effects of the global financial and economic crisis. The economic growth was driven by high primary commodity prices and better macroeconomic management.

12. African least developed countries have also made notable progress towards improving their governance institutions. A large number of them have sought to institutionalize governance by acceding to continental and global initiatives such as the African Peer Review Mechanism (APRM) of the New Partnership for Africa's Development (NEPAD), and the Kimberley Process for diamond-producing countries aimed at eliminating blood diamonds. Democratic governance is slowly taking hold and multiparty elections are becoming the norm rather than the exception in an increasing number of African least developed countries.

13. Post-conflict countries face unique challenges in achieving reconstruction, reconciliation, rehabilitation and development. This calls for greater national and international efforts to build institutional and human capacities to lay the foundation for durable peace and sustainable development.

14. Improved economic performance in African least developed countries has not contributed to commensurate gains in poverty reduction. This is due to the type of growth occurring in these countries, driven by capital-intensive extractive sectors, and thus with limited impact on employment creation. Furthermore, agriculture where the majority of the population is employed has been growing slowly. In addition, high levels of income inequality limit the impact of growth on poverty reduction.

15. The positive economic growth in African least developed countries in the period under review has enabled them to make some progress towards human development. They have made considerable progress towards gender equality and universal primary education. Progress towards the health-related Millennium Development Goals has been limited. Reducing under-five mortality has shown very little progress with half of all deaths among children under five in the world occurring in sub-Saharan Africa (most of which are least developed countries). Maternal mortality rates have not improved in African least developed countries. HIV/AIDS and malaria show better yet slow progress. Progress in prevention of malaria has increased thanks to provision of insecticide-treated nets, yet treatment is not commensurate with progress in prevention. Furthermore, with 4 million people on antiretroviral treatment for HIV patients in lower and middle income at the end of 2008 — a tenfold increase in five years — advances in access to treatment are estimated to have saved 1.1 million lives in sub-Saharan Africa since 2004. It is therefore important to ensure that treatment is available to everyone in need as we begin to boldly address HIV prevention. Therefore, on current trends African least developed countries are unlikely to meet the health Millennium Development Goals by 2015.

16. Many African least developed countries have also taken measures to improve universal access to essential services such as health, education, water and sanitation, energy, transportation and others. Public expenditures on health and education have increased considerably in the last decade, aided partly by increased donor funding. Equity considerations in access to services remain a concern. Public provision of services that depend on household income has demonstrated slower progress (for example water and sanitation), while publicly funded services have shown faster

rates of progress (for example education). Some countries have made considerable efforts to improve their regulatory environment and encourage private sector engagement and market-based policies to improve universal access to basic essential services. Despite all of these efforts, the provision of many basic services remains inadequate and inequitable.

17. Hunger remains pervasive in many African least developed countries. The problem of food security has become even more acute in the context of the global financial and economic crisis which has come on the heels of the food and energy crises. This is likely to increase the number of undernourished people in African least developed countries.

18. The problem of food security poses a serious challenge to African least developed countries, which have been adversely affected by the ongoing global economic and financial crisis, in addition to the adverse impacts of climate change. The agricultural sector is massively under-capitalized with irrigation technology hardly in existence. This makes agriculture vulnerable to increasing threats of climate change. Fast population growth is a further challenge for least developed countries to provide food for a large number of people. Achieving food security calls for the need to focus more on the agricultural sector in national public policies. Economic diversification must therefore be encouraged to help strengthen the resilience of the economies of African least developed countries to external shocks.

19. With regard to trade, African least developed countries have been pursuing export-led growth policies for the last two decades. These policies have focused on exploitation of natural resources and raw materials rather than value addition and diversification. This has resulted in an unbalanced pattern of development, with weak linkages between the export-oriented sectors and other sectors of the economy. In fact, many African least developed countries have become increasingly dependent on primary commodities, making them vulnerable to terms of trade shocks.

20. Despite benefiting from preferential trading schemes such as the Everything But Arms regulation, the Africa Growth Opportunity Act and the Generalized System of Preferences, and preferential market access provided by India, China, Brazil and other emerging economies, the share of world exports of African least developed countries remains miniscule at 1.08 per cent. This is partly due to the restrictive rules of origin, non-tariff barriers, technical barriers, environmental and health standards, coupled with the weak productive and supply capacity of the least developed countries. The meeting called for greater efforts to facilitate accession of African least developed countries to the WTO without the imposition of political conditionality.

21. The meeting recognized the importance of finance in productive capacity development. African least developed countries have made efforts to increase domestic resource mobilization through strengthening macroeconomic policy, reforming revenue collection institutions, improving the tax base and addressing corruption. As a result, African least developed countries have experienced an increase in government revenue, rising from 17.3 per cent of GDP in 2000 to 24.8 per cent in 2008. Similarly, savings ratios increased from 12.5 per cent in 2000 to 17 per cent in 2006. This notwithstanding, gross domestic saving remains inadequate at 18 per cent, relative to investment requirements targeted at 25 per cent.

22. External financial resources, including official development assistance, foreign direct investment and debt relief are urgently needed in order to augment domestic savings. Official Development Assistance (ODA) flows to African least developed countries increased to $36.9 billion in 2008 from $12.4 billion in 2000. The share of the least developed countries in total aid to developing countries increased from 23 per cent in 2000 to 30 per cent in 2008. However, ODA flows to the least developed countries remain at 0.09 per cent of gross national income (GNI), well below the target of 0.15 to 0.20 set by the Third United Nations Conference on the Least Developed Countries. Moreover, the substantial increase in ODA flows has been accounted for by emergency humanitarian assistance and debt relief. Aid is also increasingly funding social infrastructure at the expense of productive sectors.

23. Debt sustainability and indebtedness remain serious challenges in African least developed countries, despite debt relief under the Heavily Indebted Poor Countries (HIPC) and the Multilateral Debt Relief (MDR) initiative adopted by the G-8 Summit at Gleneagles in 2005. African least developed countries have seen a substantial drop in their export earnings on account of the crisis. Indeed, their external debt relative to GDP and debt service to exports has risen in the fourth quarter of 2008, resulting in high levels of debt distress.

24. Foreign direct investment (FDI) flows to African least developed countries have increased, yet they have been concentrated in extractive industries in resource-rich countries. Thus they have had a limited impact in terms of contributing to productive capacity development and employment creation. In recent years, several African least developed countries have attracted FDI inflows from China, India and countries from the Gulf for infrastructure development and to a limited extent in manufacturing and agriculture.

25. African least developed countries suffer from a considerable infrastructure deficit even compared to other least developed countries. This constitutes a major constraint to their growth and development. Energy, roads, railways, ports and airports are in inadequate supply and in woeful condition. The poor state of infrastructure, especially transport, is one of the factors contributing to the low level of intraregional trade in Africa. This is of particular importance for the landlocked least developed countries, as lack of access to seaports and inadequate infrastructure facilities impose additional constraints on the overall development effort.

26. South-South trade and investment flows as well as trade finance have also become important sources of financing development in the least developed countries, including the development of much-needed infrastructure in several of them. While South-South trade and investment is growing for African least developed countries, there is a need to further harness and leverage this contribution to their development.

Limited progress towards graduation

27. Overall performance in terms of graduation out of the least developed country category has been disappointing in Africa. Only one African country has graduated from the group since the adoption of the Programme of Action in 2001. Another country, Equatorial Guinea, has been recommended for graduation. Equatorial Guinea and other least developed countries in the Asia-Pacific region nearing the graduation threshold are concerned about the post-graduation uncertainty and abrupt

disruption of international support measures, including ODA, market access, special and differential treatment, trade-related capacity-building and others. Enhanced measures should be put in place to ensure the effective and smooth transition of graduating countries. In this regard the meeting noted the request of the Government of Equatorial Guinea made to the Committee on Development Policy to postpone its graduation from the group of least developed countries to 2020.

New challenges threaten to derail progress towards the Brussels Programme of Action and the Millennium Development Goals

28. The participants noted that progress, albeit slow and uneven, has been registered in some areas of the Brussels Programme of Action. These gains are eroded by emerging new challenges including the multiple crises of food, fuel, climate change and the ongoing global financial and economic crisis. These have poignantly exposed the acute vulnerabilities of the least developed countries to external shocks, and threaten to reverse progress made.

29. The high rise in food prices and their volatility have had a negative impact on food security, an important feature of African least developed countries, since most of them are net food-importing countries. The high food prices and worsening balance of payments has made it difficult for them to finance their food import bill, resulting in an increase in food insecure people in these countries. This is compounded by the global financial and economic crisis. The lack of fiscal space and institutional mechanisms to mitigate the impact of the crisis could lock African least developed countries into long-term poverty.

30. Climate change represents an additional challenge, further exacerbating the vulnerability of African least developed countries, with many of them suffering droughts and floods, erratic weather patterns and natural disasters. Within this group the small island least developed countries, due to their low-lying nature are more susceptible to climate change. This requires short-term measures at national and international levels to mitigate the adverse effects of these crises. Furthermore, long-term measures will be required to strengthen the resilience of the least developed countries and reduce their vulnerability and promote sustained growth and development in African least developed countries.

31. The meeting expressed its concern over the high level of poverty, unemployment and environmental degradation in African least developed countries. This poses systemic implications for the global economy. In this regard it is a moral and ethical imperative for the international community to assist these countries in their efforts to exit poverty, adapt to climate change, and embark on a sustainable path of development.

III. Mobilizing enhanced national, regional and international support for development of the least developed countries

Strengthening the resilience of African least developed countries through development of productive capacity

32. Despite improved growth performance in the current development decade, the quality and sustainability of growth remains a serious challenge for African least developed countries. There is a need for pro-poor growth that enhances its positive impact on employment and poverty reduction. An important element is the development of a critical mass of productive capacities in agriculture, manufacturing and services, reducing their vulnerabilities and bringing about structural transformation. This requires improving human capital, strengthening capital accumulation in areas of their inherent and acquired comparative advantages, transfer and diffusion of technology and specialization in new and dynamic sectors.

33. An important feature of any strategy geared to productive capacity development is diversification and technological upgrading. Progress on this front requires deve'opment of infrastructure to overcome the supply-side bottlenecks limiting the capacity of least developed countries to integrate beneficially into the world economy.

34. Science and technology are vital for the achievement of development goals and the "technological gap" between the African least developed countries and other countries impedes their capacity to fully participate in the global economy and constitutes a major challenge in their efforts to enhance productive capacity, increase competitiveness, attract private capital flow, generate income and employment, reduce poverty and achieve sustained economic growth and sustainable development.

35. The meeting urged the international community to promote and facilitate access to and the development, acquisition, transfer and diffusion of technologies, particularly environmentally sound technologies and corresponding know-how to the least developed countries; and called for increased technical and financial assistance to the African least developed countries for strengthening their national innovation capacity, inter alia, through research and development.

36. Enterprises play an important role in adapting innovation and technological learning. However, in private sector development in African least developed countries remains rudimentary, with many firms operating in the informal sector. The main focus of public policy in these countries should be to encourage the graduation of firms out of the informal sector into the formal sector, increase their scale and scope and help them in modernizing their business practices.

37. The potential of South-South cooperation in facilitating technology catch-up should be exploited. Targeting the development of sectors of strategic importance to the least developed countries must be central to policies geared at productive capacities.

Infrastructure development

38. Substantial investment in infrastructure will be needed, in addition to investment in maintenance of existing infrastructure. This must be accompanied by further institutional reforms of the infrastructure sectors, including through improved governance and regulation.

39. There is a need for affordable, reliable, economically viable, socially acceptable and environmentally sound supplies of energy for promoting growth and sustainable development. The meeting thus calls upon the international community to assist the least developed countries in building a strong energy sector by providing financial and technical assistance, and facilitating public and private sector investment in the sustainable use of traditional energy resources, advances, cost-effective and cleaner fossil fuel technologies and renewable energy resources, such as solar photovoltaic and thermal energy, wind power, geothermal energy, hydropower and biogas.

40. African least developed countries and their development partners need to increase investment in the energy sector to build transformational generation and transmission facilities. Given the impact of climate change on the least developed countries, particular attention must be given to the development of clean energy such as hydropower and solar energy. Development partners should also provide financial and technical support to the development of regional infrastructure such as road corridors, power pools, etc. In line with the Almaty Programme of Action for landlocked developing countries, the meeting called for the strengthening of regional and subregional coordination through trade-transit corridors. This is critical for deepening regional cooperation and improving the access to seaports of landlocked least developed countries in Africa.

Financing for development

Mobilizing increased domestic resources to finance self-sustaining development

41. The mobilization of financial resources is key if the least developed countries are to achieve sustainable development and poverty reduction. African least developed countries still face huge financing gaps that must be filled if they are to have a realistic chance of meeting the Millennium Development Goals.

42. Efforts need to be made to ensure that in the next development decade, this crucial commitment is delivered upon. In many ways, achieving success on this issue will constitute a litmus test of development partnership in the next decade of development of the least developed countries.

43. As recognized in the Monterrey Consensus and reaffirmed in the outcome of the Doha Financing for Development Conference, domestic resource mobilization is the foundation for self-sustaining development. An enabling environment is crucial to mobilization of adequate financial resources for development. African least developed countries need to redouble efforts to mobilize increased domestic resources through further deepening financial sector development and increasing the access of the poor to financial services through promoting microfinance institutions.

44. Given the shallow nature of financial sector development in least developed countries, commercial banks will continue to play an increasingly important role in

savings mobilization. To mobilize resources for productive capacity development, least developed countries need to revisit the role of special funds geared to promoting specific strategic sectors of importance to them. The role of the sector-specific financial institutions like agricultural development banks, industrial development and export-import (EX-IM) banks and others should be encouraged.

45. The small size of domestic savings renders African least developed countries very reliant on external finance for their development. Enhanced international support will be needed in the next development decade through ODA, FDI and debt relief, as well as targeted financial and technical assistance.

Enhancing the developmental impact of ODA

46. Considerably scaled-up, predictable, concessional and targeted ODA to least developed countries is indispensable for their development in the next decade. Their development partners should address urgently the quality and quantity of aid. Efforts should be made to increase aid to least developed countries in line with international commitments. Meeting the 0.15-0.20 ODA/GNI target will go a long way in increasing the resource envelope for the development of the least developed countries. Beyond meeting proportional targets, the option of setting progressive quantitative targets based on needs assessment could be more effective.

47. In addition, there is a need to target ODA to productive sectors with greater impact on development, employment creation and poverty reduction. Particular focus must be given to the agriculture sector. Development should support African least developed countries with the implementation of their national agriculture strategies within the framework of the Comprehensive Africa Agriculture Development Programme (CAADP).

48. Increased ODA flows will also be required to finance infrastructure development in African least developed countries. To meet the huge financing gap for infrastructure financing, Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) countries should at least double ODA to infrastructure by 2011. There is also a need to further harness the positive contribution of new donors for the development of African least developed countries.

49. To enhance the developmental impact of aid in recipient countries, development partners should fully implement the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. They should reduce conditionality, align aid to the national development strategies of African least developed countries and improve coordination with a view to reducing the administrative costs of aid. Further progress is required in untying technical assistance and food aid to the least developed countries.

50. Given the disproportionate impact of the global financial and economic crisis on African least developed countries, the meeting called for a special stimulus and resilience-building package for least developed countries for the next 10 years.

51. The meeting recognized the importance of increasing global liquidity to support African least developed countries in their efforts to cope with the impact of the global financial and economic crisis. In this regard, to meet their urgent financial shortfall, a Special Drawing Rights (SDR) allocation of $100 billion should be made available to them at no interest cost.

Attracting increased foreign direct investment flows to African least developed countries

52. The Africa regional preparatory meeting underscored the important role that FDI can play in promoting sustained growth and development through technology diffusion, as well as its effect in enhancing efficiency and productivity.

53. Efforts should be made to channel FDI to support productive capacity development and diversification. Strengthening national, bilateral and multilateral efforts can go a long way in overcoming the constraints limiting the attractiveness of African least developed countries to foreign investment. Bilateral and multilateral partners can support them in attracting FDI by providing insurance to offset their high perceived political risk. Furthermore, FDI incentives by home countries to match measures taken by African least developed countries for attracting inflows and targeting them to priority sectors should be encouraged.

54. Given the increasing competition for FDI, African least developed countries should continue to improve their attractiveness to foreign investment through a number of fiscal and non-tax incentives. Fiscal incentives should be used as part of a broader policy package. In attracting FDI, they need to introduce targeted and sector-specific investment incentives to facilitate FDI into priority sectors.

Leveraging the impact of remittances on development

55. The meeting recognized the potential that migration and diaspora hold for the promotion of the economic, social and cultural development of all countries involved. In this regard, the meeting also welcomed the ongoing efforts for the establishment of the International Migrants Remittances Observatory for least developed countries and called for the implementation of the pilot programme initiated to prove the operational viability of the International Observatory with a view to extending its scope to all least developed countries. The meeting called upon development partners to further support the activities of the International Observatory.

56. Although remittances are disproportionately channelled to consumption, in some least developed countries they are increasingly being used for investment purposes, especially for financing small and medium enterprises. However there is a need to leverage the developmental impact of remittances. This could be done by channelling remittances through official channels, especially the financial system, and allowing foreign currency accounts.

57. In view of the growing importance and potential for export of services from least developed countries, the modalities for special treatment for least developed countries in the WTO negotiations on trade in services should be fully implemented. In this regard, priority needs to be granted to methods and mode of supply under Mode 4 of the General Agreement on Trade in Services (GATS).

Ensuring debt sustainability

58. There is continued need for lasting and comprehensive debt relief for least developed countries. Strengthened efforts are needed to ensure that recent gains under HIPC and MDRI are not eroded. The international community must also make efforts to address the debt problem of post-conflict countries, most of which are least developed countries, through fast-tracking their movement from

pre-completion points to completion points. Furthermore resources earmarked for debt relief should be additional to development finance.

59. Ensuring full participation of all multilateral creditors in the HIPC is also essential for addressing the debt problem of the least developed countries. This is especially important in light of the proliferation of new creditors for African least developed countries. There is also a need to consider a debt moratorium for African least developed countries to help them cope with the global financial and economic crisis.

Mobilizing additional resources through innovative sources of funding

60. The meeting underscored the increasing importance of new and non-traditional sources of development finance for African least developed countries. Given the importance of these new sources of funding for the development of these countries, there is a need for scaling and targeting them to all areas, especially productive sectors. Some of the schemes proposed include levies on airfares, taxes on foreign exchange transactions, and carbon financing. The meeting further invited African least developed countries to adhere to and participate in the Pilot Group on New Innovative Funding as called for in the Conakry Declaration of November 2008. The meeting also urged other developed and developing countries to support the work of the Group.

Unleashing the benefits of trade for the development of the least developed countries

61. Greater effort is required to promote diversification and production of high value-added goods and services in order to allow trade to play its role in the development of the least developed countries. This must be complemented by measures to deal with commodity problems, including the establishment of commodity security stocks and other measures protecting the productive capacities of the least developed countries from the adverse volatility of global markets. Measures should also be put in place to address the factors that have contributed to increased volatility of food and commodity prices such as the use of commodities for biofuels and excessive speculation.

62. African least developed countries have developed strong tourism industries in recent years but face increasing competition from other developing countries. In order to remain competitive in this market, they need to upgrade the quality of their tourist products and services ranging from accommodation, catering and security to other aspects. Full implementation of modalities for special treatment of least developed countries in the WTO negotiations on trade in services could go a long way in increasing service exports in least developed countries. Promoting domestic and regional tourism could also be important in minimizing the impact of global downturns on the tourism sector in African least developed countries.

63. An enhanced level of support is needed to help the least developed countries increase their share of world trade through provision of adequate and predictable market access for the products of special export interest to them. Full implementation of duty-free and quota-free market access by developed countries and developing countries in a position to do so, in line with the decision of the WTO Hong Kong Ministerial Conference would go a long way in ensuring the beneficial

integration of the least developed countries into the world economy. Non-tariff barriers continue to impede their efforts to increase their trade and this should be addressed in the context of the ongoing Doha Development Round of trade negotiations.

64. There is a need to simplify rules of origin to make them more transparent. Allowing for regional and South-South cumulation would enable least developed countries to optimize the benefits of preferential trading schemes.

65. Non-tariff barriers constitute a significant market entry barrier for the least developed countries. In particular they need to be supported in setting up a standards-related infrastructure to enable them to participate in and cope with the plethora of standards in global markets that their exports and potential exports face.

66. Domestic support in the developed countries undermines the capacity of small farmers in developing countries, especially the least developed countries, to compete in global markets. In this regard, there is a need for WTO-consistent, non-trade-distorting special measures aimed at creating incentives for smallholder farmers in the least developed countries, enabling them to increase their productivity and compete on a more equal footing on world markets. A timely, ambitious, comprehensive and balanced conclusion of the Doha Development Round of trade negotiations is urgent and would be important for fully harnessing the benefits of trade for the development of African least developed countries. There is also a need to facilitate their accession to the WTO.

67. Furthermore, African least developed countries need strengthened financial and technical assistance through Aid for Trade. This need is more urgent given the impact of the global financial and economic crisis on least developed countries. Resources for Aid for Trade, including the Enhanced Integrated Framework, should be increased and aligned to the national development strategies of individual least developed countries. Given the need to strengthen productive capacity development, development partners should also scale up more financial and technical assistance to support economic diversification and industrial development and strengthen the capacity of African least developed countries to meet their obligations, including technical barriers to trade.

Orienting macroeconomic policies towards growth, development and poverty reduction

68. In view of the importance of macroeconomic policy for growth, poverty reduction and development, African least developed countries need to continue maintaining strong macroeconomic fundamentals based on policy space and policy innovation. Apart from the pursuit of short-run stabilization, macroeconomic policies should be geared at promoting sustainable development and mobilizing resources for financing productive capacity development and internationally agreed development goals in least developed countries. In this regard, greater flexibility is required in the conduct of macroeconomic policies to enable them to pursue counter-cyclical policies to support productive capacity development and finance the Millennium Development Goals. This is particularly urgent in the context of the current economic downturn and the need for the least developed countries to mitigate the impact of the global economic and financial crisis on their economies.

69. This calls for macroeconomic policies aimed at accelerating growth and reducing poverty. Fiscal policy must be aimed at increasing public investment in social sectors such as health and education, physical infrastructure as well as protecting government spending on programmes that target the poor. Public expenditure in least developed countries must also prioritize primary health care as well as universal access to essential services. In this regard, African least developed countries should take measures to strengthen ownership of their development policies through mainstreaming plans of action within their poverty reduction strategies or national development plans. Development partners and multilateral finance institutions should further reduce conditionality in their lending programmes to African least developed countries.

Ensuring agricultural development and achieving food security

70. Considering that agriculture is a pivotal sector in African least developed countries, as it underpins food security, foreign exchange earnings, rural development and employment generation, and is facing extreme challenges, there is a need to reprioritize agricultural development in national and international development policies. The NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) constitutes a good framework through which enhanced and coordinated support for agriculture in African least developed countries can be provided. African least developed countries should make further efforts to meet the target of allocating 10 per cent of their budget to agricultural development as called for in the Maputo Declaration. Development partners should align their support to agriculture for African least developed countries to the priorities of NEPAD, as spelled out in CAADP.

71. Development partners should also increase financing to the agriculture sector to enable African least developed countries to expand agriculture and food production through increased investment in agriculture, agribusiness and rural development. The L'Aquila initiative adopted by the G-8 Summit which aimed to mobilize $20 billion for agricultural development and food security in the poorest countries is welcome and should be fully implemented. Special support must be given to smallholder farmers in African least developed countries to enable them to access locally adapted seeds, fertilizers, animal feed and other inputs in order to increase agricultural production.

72. Increased investment will be needed in science and technology for food and agriculture. Increased international support should be directed to research and development, applying, transferring and disseminating improved technologies and policy approaches. There is a need for African least developed countries to establish a clear regulatory and policy balance for production and trade of biofuels in the interests of safeguarding food security. African least developed countries and their development partners should launch an African green revolution within the framework of CAADP to substantially increase agricultural yields and reduce hunger. The role of the Alliance for a Green Revolution in Africa (AGRA) funded by the Bill and Melinda Gates Foundation is welcome and should be further supported by other development partners, as well as international agricultural research centres. There is also a need to support infrastructure development in agriculture such as irrigation schemes and storage and processing facilities.

73. Given the impact of the food crisis on food security in African least developed countries, there is a need for the international community to increase funding for short-term food emergency. On their part the least developed countries should put measures in place to avoid disruption in food supply due to external shocks. Maintaining sufficient buffer stocks of essential food commodities would be critical in this regard.

74. Given that the banking sector is unlikely to finance agricultural activities, the least developed countries should explore options for establishing special funds or agricultural development banks to channel finance for agricultural development. This could also be supported by development partners as well as philanthropic funds.

75. Climate change poses a significant challenge to food security and the agriculture sector, and is expected to adversely affect the least developed countries and other vulnerable countries. Efforts to address climate change must allow for mitigation options and a firm commitment to the adaptation of agriculture, including through conservation and sustainable use of genetic resources for food and agriculture.

Dealing with the challenge posed by climate change

76. Climate change and environmental degradation are affecting African least developed countries severely and present significant threats to the achievement of the Millennium Development Goals. Owing to the low level of development and limited policy space, the least developed countries are disproportionately impacted by climate change. This is despite the fact that they contribute least to greenhouse gas emissions.

77. To effectively address climate change, the least developed countries should integrate climate change into their national development frameworks and plans and promote environmentally friendly development policies in the context of sustainable development.

78. Developed countries should support the least developed countries in adapting to climate change through providing adequate, predictable, sustainable financial resources aimed at reducing vulnerability, to enable them to strengthen their resilience to climate change.

79. This must be complemented by the transfer and diffusion of affordable environmentally sound technology and capacity-building to the least developed countries to support the implementation of their adaptation programmes. Development partners must deliver a new Green Deal for the least developed countries, aimed at ensuring green production and consumption patterns and bottom-up fostering of climate- and environment-friendly productive capacity in manufacturing, agriculture, and services.

80. African least developed countries welcomed therefore the establishment of a High-level Advisory Group on Climate Change Financing by the Secretary-General of the United Nations earlier this year to mobilize resources committed by development partners in Copenhagen to help developing countries, especially the most vulnerable countries, to adapt to and mitigate the impact of climate change.

Combating drought, desertification and land degradation

81. Desertification and land degradation pose a serious threat to African least developed countries, adversely affecting agricultural activities, rural and urban development, land use, water resources, and efforts for eradication of poverty and hunger and promotion of health and well-being in desert and adjacent areas.

82. The acquisition, transfer and development of modern technology, capacity-building and the promotion of traditional knowledge to improve land and water management policies are essential to reverse land degradation and its consequences. Improving soil and water use can positively impact land productivity and the resilience of farming systems.

83. Much greater attention to desertification and land degradation in African least developed countries by the global community is needed. This includes, inter alia, supporting the establishment and development of information centres specialized in the monitoring and combating of desertification, and providing assistance to facilitate the incorporation of strategies and priorities to combat desertification into national sustainable development policies for African countries. Greater investment by donors and development banks and greater cooperation among United Nations agencies and the Rio Conventions is needed to promote sustainable land and water management.

84. The United Nations Convention to Combat Desertification is one of the tools for poverty eradication, and reiterates the resolve to eradicate extreme poverty, promote sustainable development and improve the livelihoods of people affected by drought and/or desertification. The meeting called for substantial, additional resources for the land degradation focal area during the fifth replenishment period of the Global Environment Facility.

Managing disasters and mitigating risk

85. The meeting expressed support and solidarity with Haiti for the devastating earthquake that hit the country, causing the destruction of its infrastructure, and the deaths of thousands of its people.

86. The meeting expressed its deep concern at the number and scale of natural disasters and their increasing impact in recent years, which have resulted in massive loss of life and long-term negative social, economic and environmental consequences for vulnerable societies in African least developed countries that hamper the achievement of their sustainable development.

87. It also recognized the urgent need to further develop and make use of existing scientific and technical knowledge to build resilience to natural disasters, and emphasized the need for African least developed countries to have access to appropriate, advanced, environmentally sound, cost-effective and easy-to-use technologies so as to seek more comprehensive solutions to disaster risk reduction and to effectively and efficiently strengthen their capabilities to cope with disaster risks, especially through strengthening early-warning systems.

Improving governance and promoting peace and security

88. Considerable progress has been made by African least developed countries, inter alia, in the promotion of democracy, human rights, the rule of law, transparency, accountability, combating corruption and other legal and institutional mechanisms, as well as in strengthening human and institutional capacities and macroeconomic reforms.

89. Commendable progress has been achieved in implementing the African Peer Review Mechanism, in particular the completion of the peer review process in the national programmes of action in a number of countries, resulting from these reviews. African States that have not done so are urged to consider joining the Mechanism as soon as possible and to strengthen the Mechanism process for its efficient performance.

90. The meeting also took note of the efforts by the least developed countries to improve transparency and accountability in industry through participation in voluntary global mechanisms, including the Extractive Industries Transparency Initiative, and urges them to promote transparency and accountability in industry.

91. The meeting further underscored the importance of promoting and improving transparency and accountability in the public, private and corporate sectors in order to enable the least developed countries to maximize the benefits that accrue to them from the extractive industries, taking into account, where appropriate, the implementation of relevant initiatives on extractive industries.

92. Strengthening the rule of law, enforcing property rights and combating corruption are all essential to improving governance. In the wake of the global financial and economic crisis, addressing the structural problems of the least developed countries would require a rebalancing of the roles of the State and the market. The meeting called for a greater role of the State in the development of the African least developed countries.

93. While some progress has been made towards improving governance of key multilateral institutions such as the World Bank and the International Monetary Fund (IMF), the representation and voice of African least developed countries remains marginal. The meeting urged development partners to broaden and strengthen the participation of the least developed countries in international economic decision-making and norm-setting and in this regard calls upon the international community to undertake pragmatic and innovative measures to further enhance their effective participation in international dialogues and decision-making processes.

94. Peace and security is a condition sine qua non for growth and sustainable development. Enhanced efforts are required to help build durable peace and sustainable development in the least developed countries. The support of the international community, including the United Nations, is vital for strengthening national, subregional and continental efforts aimed at peacebuilding, including capacity for conflict mediation, resolution and management and post-conflict consolidation. Special support should be provided to post-conflict countries to enable them to achieve a smooth transition from relief to development. The United Nations Peacebuilding Commission has emerged as an important addition to the

global institutional architecture for peace and development and should be further strengthened to enable it to fulfil its mandate.

IV. Appreciation and vote of thanks

95. The participants expressed their appreciation to the people and Government of Ethiopia for their kind hospitality. The participants also expressed their gratitude to ECA, OHRLLS and UNDP for their excellent preparations and generous support for the success of this meeting. Finally, the participants expressed their sincere thanks for the pivotal role and commitment played by Turkey in the organization of the Fourth United Nations Conference on the Least Developed Countries.

Annex

List of countries and organizations which participated in the meeting

Countries

Benin
Burkina Faso
Burundi
Central African Republic
Comoros
Democratic Republic of the Congo
Djibouti
Equatorial Guinea
Ethiopia
Gabon
Gambia
Guinea
India
Lesotho
Liberia
Madagascar
Malawi
Mali
Mozambique
Nepal
Niger
Senegal
Sierra Leone
Solomon Islands
Somalia
Spain
Sudan
Togo
Turkey
Uganda
United Republic of Tanzania
Zambia

United Nations and other organizations

Common Fund for Commodities
Economic Commission for Africa
Food and Agriculture Organization of the United Nations
International Labour Organization
International Telecommunication Union
International Trade Centre
Joint United Nations Programme on HIV/AIDS
LDC Watch
Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

Office of the United Nations High Commissioner for Human Rights
Office of the United Nations High Commissioner for Refugees
United Nations Children's Fund
United Nations Conference on Trade and Development
United Nations Development Fund for Women
United Nations Development Programme
United Nations Framework Convention on Climate Change
United Nations Industrial Development Organization
United Nations Liaison Office — African Union
United Nations Population Fund
World Food Programme
World Intellectual Property Organization
World Meteorological Organization
World Trade Organization

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Substantive preparations for the Conference

Report of the regional-level preparatory review meeting for Asia-Pacific and Yemen

Summary

The High-level Asia-Pacific Policy Dialogue on the Brussels Programme of Action for the Least Developed Countries was held in Dhaka from 18 to 20 January 2010. It was part of the preparatory process for the Fourth United Nations Conference on the Least Developed Countries that will be held in Turkey in 2011 (pursuant to General Assembly resolution 63/227). The Policy Dialogue, which involved 13 least developed countries of the Asia-Pacific region and Yemen, was attended by some 120 stakeholders of the Brussels Programme of Action, including States members of the Economic and Social Commission for Asia and the Pacific organizations of the United Nations system, relevant international and regional organizations, development partners and a broad spectrum of civil society representatives.

The objective of the meeting was to undertake a comprehensive review of the implementation of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 and to propose measures at the national, regional and international levels to advance the development of least developed countries in the next decade. The Policy Dialogue showed that, although some progress has been made in achieving the key objectives of the Brussels Programme of Action, the least developed countries continue to suffer from multiple development challenges. It also made proposals for a new programme of action.

* A/CONF.219/IPC/1.

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The Outcome Document was deliberated on and endorsed at the last day of the three-day High-level Asia-Pacific Policy Dialogue. Subsequently it was submitted to the Commission in connection with the regional review conducted by the Commission at its sixty-sixth session, held from 13 to 19 May 2010 in Incheon, Republic of Korea. The Commission took note of the Dhaka Outcome Document (E/ESCAP 66/6).

I. Dhaka Outcome Document

1. The High-level Asia-Pacific Policy Dialogue on the Brussels Programme of Action for the Least Developed Countries concludes that, despite significant progress achieved in different areas, such as the achievement of a targeted growth rate and increased investment ratios for a number of countries, the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (Brussels Programme of Action)[1] as yet remains an unfinished agenda for the Asia-Pacific least developed countries. Least developed countries have, in general, lagged behind others in achieving the Millennium Development Goals and other internationally agreed development goals. In addition to their slow progress in the attainment of key goals and targets agreed upon in the Programme of Action, the Asia-Pacific least developed countries have suffered from multiple effects of the food and energy crisis, the global financial and economic crisis, and the effects of climate change in the real sectors of their economies, threatening to undermine the development gains achieved so far, as well as negatively affecting future prospects. The increased frequency of natural disasters in the Asia-Pacific least developed countries, together with their inability to address the impacts, has increased their vulnerability, undermining their economic development. In particular, progress towards the reduction of poverty and hunger and the achievement of the Millennium Development Goals has been slowed down and the countries have encountered difficulties in securing cost-effective financing for development.

2. The Asia-Pacific least developed countries, on average, had achieved investment to gross domestic product (GDP) ratios of more than 25 per cent by 2007. That was partly related to the diversification of exports of some Asian least developed countries into manufacturing. Thus, 7 out of 14 Asia-Pacific least developed countries met the target growth rate of 7 per cent for most of the decade. However, in other areas, such as urban access to water, gender equality in tertiary education and, especially, poverty reduction, very few countries had made sufficient progress before the 2008 economic crisis. Similarly, in some areas, such as primary education (including gender equality) and tuberculosis prevalence, the majority of the 15 Asia-Pacific least developed countries are among the early achievers or are on track in reaching the related Millennium Development Goals.

3. The food and fuel crisis and the financial and economic crisis have highlighted the vulnerabilities of Asia-Pacific least developed countries to external shocks. The financial crisis affected these countries through different channels, including trade of goods and services, foreign direct investment (FDI), remittances, official development assistance (ODA) and financial markets. These effects, in turn, reduced employment, capital inflows and government revenue, thus limiting policy space to address their structural impediments to development.

4. Least developed countries are more vulnerable than other countries to the effects of climate change for several reasons. First, many of them, such as small island States and low-lying coastal States, are the most exposed to the consequences of global warming, such as a rise in sea level. Second, this vulnerability has been intensified by the high proportion of their economies that is accounted for by agriculture. Third, the melting of the glaciers in the Himalayas is creating far-reaching negative consequences for the downstream countries. Fourth, the increased

[1] A/CONF.191/13, chap. II.

frequency of natural disasters has further aggravated their vulnerability and reduced their ability to mitigate the impacts of natural disasters. The island least developed countries are even more prone to the existential threat of climate change impact on their livelihood and national security, which allows them to exist as sovereign States, with some already experiencing internally displaced climate change refugees. Their small, open and narrow economies, which rely heavily on the trade of a few primary commodities and services, make it necessary for the Economic and Social Council to seriously consider the economic vulnerability of the island least developed countries in its assessment of whether to graduate them from the list of least developed countries. The meeting highlighted the cases of Maldives and Samoa and the recent earthquake in Haiti as strong evidence of the extreme vulnerability faced by the island least developed countries and the need for the international community to urgently support their adaptation and mitigation programmes.

A. Mobilizing enhanced international and regional support measures and action in favour of the least developed countries and formulating a renewed partnership

5. Mobilizing financial resources for development and their effective use are central to the attainment of the Millennium Development Goals, other internationally agreed development goals and Brussels Programme of Action targets and for strengthening a new global partnership for the sustainable and inclusive development of the Asia-Pacific least developed countries.

6. Although implementing the Brussels Programme of Action is the primary responsibility of individual least developed countries, the domestic economies of these countries are now interwoven with the global economic system. Therefore, the support of an enabling international economic environment, the effective use of trade and investment opportunities, and global financial and technical assistance are important for the Asia-Pacific least developed countries in implementing the Programme of Action. The Policy Dialogue notes with concern, however, that the commitments made under the Brussels Programme of Action in the areas of trade, aid and financial flows remain largely unfulfilled for the Asia-Pacific least developed countries.

1. Trade

7. The Asia-Pacific least developed countries have remained marginalized in international trade. They need urgent and wide-ranging trade-related technical assistance in order to fully utilize the benefits offered by international trade for their development.

8. Although most Asia-Pacific least developed countries have managed to diversify into labour-intensive manufacturing exports, there is a need to substantially expand and further diversify their production and export supply capacity. This would enable them to increase their share in global trade, enhance their value added and value retained from exports and improve their terms of trade. To further enhance the share of the least developed countries in global trade, greater efforts are needed towards the achievement of subregional and regional economic

integration and enhanced trade and investment flows. There is also a need to diversify exports by sector and destination market.

9. In this context, the Policy Dialogue calls for enhanced levels of support and assistance from development partners to enhance their supply-side capacity and trade diversification. It also calls for the early, fair and balanced conclusion of the Doha Round of multilateral trade negotiations by 2010 and the early harvest of duty-free and quota-free market access for the least developed countries. It further calls for a dedicated facility with resources to address the supply-side constraints.

10. In order to enhance substantially the share of least developed countries in world trade and its contribution to their development, they need to be provided with enhanced and predictable market access by their partners, support for establishing cost and quality competitive export supply capacity and the building of trade-related infrastructure.

11. Tariff and non-tariff barriers and subsidies in developed countries adversely affect the export earnings of the Asia-Pacific least developed countries. Although developed countries generally levy lower overall tariffs on exports from developing countries, tariff peaks are applied on agricultural and labour-intensive products. As a result, least developed countries face higher average tariffs than their developed country counterparts.

12. For the Asia-Pacific least developed countries, full implementation of duty-free and quota-free market access by developed countries and developing countries in a position to do so, as agreed in the Hong Kong Ministerial Declaration,[2] is critical to integrating beneficially into the global trading system.

13. Most least developed countries have preferential access to industrial country markets under the Generalized System of Preferences (GSP). The benefits of many GSP schemes are, however, limited. Preference margins are usually smaller for sensitive products, which enjoy the greatest protection, and the fact that a large number of countries (often with similar export structures) benefit from preference schemes reduces any competitive advantage the schemes might convey. More transparent and simplified rules of origin, allowing for cumulation of origin, at least at the regional level, could improve the use and value of preferences, as would more comprehensive product coverage. Least developed countries should be granted greater preferential treatment than other countries to enable them to offset some of their disadvantages.

14. Further liberalization of merchandise trade, especially of agricultural products, textiles and clothing, could generate large benefits for the Asia-Pacific least developed countries in terms of incomes, exports and employment. These benefits would derive not only from the elimination of access barriers to industrial country markets but also from the reform of the trade regimes of these countries.

15. There is also a need to move towards a multilateral trading system that takes special account of the interests of the least developed countries, including eliminating tariff peaks and escalation, tightening disciplines on recourse to trade remedies, providing more capacity-building assistance to these countries to enable

[2] World Trade Organization, document WT/MIN(05)/DEC. Available from http://docsonline.wto.org.

them to navigate technical and health-related barriers, and extending full duty- and quota-free access for exports from the Asia-Pacific least developed countries.

16. In the context of the Doha Development Agenda,[3] the members of the World Trade Organization (WTO) are committed to negotiations aimed at substantially improving market access for agricultural and industrial products, especially the products of export interest to developing countries and least developed countries. The Policy Dialogue underlines the importance and urgency of concluding the Doha Round by 2010. Increasing market access for the least developed countries is indeed a necessary first step in helping them grow their economies, but it is not sufficient. It must be an integral part of a broader strategy to promote a vigorous supply response in the least developed countries. Inefficiencies in key infrastructure sectors, such as telecommunications, transport and financial services, often add more to the export costs of these countries than foreign trade barriers. Thus, Asian least developed countries also need technical assistance to participate effectively in the multilateral trading system, for which effective implementation of the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries is required. Aid for trade should be aligned to the national development strategies of individual countries and aimed at enhancing trade capacity and international competitiveness through support in specific areas, such as trade policy and regulations, trade development, building productive capacities, trade-related infrastructure and trade-related adjustments. The implementation and enhancement of aid for trade should be a complement to and not a substitute for a successful outcome of the Doha Round of negotiations, and least developed countries should receive priority attention for the disbursement of funds from aid for trade.

17. The subsidization of agriculture in the developed countries depresses world prices of commodities and increases price volatility, which hurts least developed countries and their poorest citizens, since agriculture is the dominant economic activity in rural areas. The costs to the global economy of distortions in agricultural trade are also large.

18. In addition, measures to address some of the factors that have contributed to the severe volatility of food and commodity prices should be explored. They include the support measures for the use of biofuels which have diverted food for human consumption and the effects of excessive speculation. To compensate for the high volatility of commodity prices, commodity stabilization funds, insurance schemes and a higher level of stocks, preferably at the regional level, should be explored.

2. Financing for development

19. The magnitude of net FDI inflows in Asia-Pacific least developed countries is much lower than the amount of ODA received by these countries, indicating their higher dependence on ODA. Although both ODA and FDI had increasing trends in the 2000s, the increase in ODA flows in the Asia-Pacific least developed countries slowed down from 2005 against an increasing trend of FDI inflows.

(a) Financing

20. The bulk of FDI in least developed countries is of the resource-seeking type, while FDI directed towards the Asia-Pacific least developed countries is mostly

[3] See A/C.2/56/7, annex.

efficiency-seeking. The exploitation of the potential positive impacts of FDI on knowledge accumulation in host countries hinges on a number of conditions, many of which are not present in these countries.

21. There is a heightened need for the Asia-Pacific least developed countries to refocus policy attention on developing productive capacities. This means that policies aimed at attracting FDI should be oriented towards stimulating productive investment, building technological capacities, developing infrastructure and strengthening linkages within and across sectors and between different enterprises. Strengthening domestic productive capacities should also be aimed at producing a wider range of more sophisticated products.

22. Given that many least developed countries have not been able to attract FDI despite liberalization and reform, in order to enhance private capital flows, there is a need to strengthen national, bilateral and multilateral efforts to overcome structural and other constraints limiting their attractiveness as destinations for private capital and FDI. Bilateral and multilateral partners can provide technical, financial and other forms of assistance; share best practices; promote and strengthen partnerships and cooperation arrangements; provide guarantees; and support national efforts to create a stable and predictable investment climate.

23. Global support is needed for private foreign investment, especially in infrastructure development and other priority areas, including bridging the digital divide that exists in the Asia-Pacific least developed countries. The global support can take various forms, including export credits, co-financing, venture capital and other lending instruments, risk guarantees, the leveraging of aid resources, business development services and funding for feasibility studies.

(b) Remittances

24. Remittances have emerged as a significant source of foreign currency in many of the Asia-Pacific least developed countries. In this context, remittances are not a substitute for FDI, ODA, debt relief or other public sources of development finance for the least developed countries. They are typically wages transferred to meet the needs of recipient households and the nature of their disposal is a matter of household decisions. In view of the growing importance and potential of the export of services for the Asia-Pacific least developed countries, the modalities for special treatment for least developed countries in the WTO negotiations on trade in services, granting secure and predictable preferential and more favourable treatment to services and service suppliers of least developed countries, should be fully implemented. In this regard, priority needs to be accorded to methods and mode of supply, in particular, on the movement of natural persons under mode 4. The Policy Dialogue calls for closer cooperation and understanding between the sending and destination countries of migrant workers. In addition to measures to reduce transaction costs, where significant progress has been made, receiving countries should also improve working conditions for migrants and reduce unreasonable restrictions on labour migration. Cooperation between origin and destination countries to increase and harness the contribution of migrant workers towards brain gain and circulation and skills development in least developed countries is required.

25. The Policy Dialogue notes the ongoing preparation for the establishment of an international migrant remittances observatory for least developed countries. It calls upon the Coordination Bureau to finalize the memorandum of understanding for the

implementation of the pilot programme, as directed by the Ministerial Meeting of the Least Developed Countries, held in New York on 29 September 2009.[4]

(c) ODA and debt relief

26. ODA continues to play a very important role in the implementation of the Brussels Programme of Action in the Asia-Pacific least developed countries and the achievement of the internationally agreed development goals, including the Millennium Development Goals. ODA has a potential catalytic role in assisting these countries in promoting sustainable and inclusive development; enhancing social, institutional and physical infrastructure; promoting FDI; adapting trade and technological inventions and innovations; improving health and education; fostering gender equality; ensuring food security; and reducing poverty. Development partners should also establish specific and dedicated funding mechanisms to deal with financial, food and fuel crises, especially in the least developed countries.

27. Despite a significant increase in ODA to least developed countries in recent years, only 9 out of 22 donors of the Development Assistance Committee of the Organization for Economic Cooperation and Development met the target of providing at least 0.15 per cent of their gross national income in ODA to least developed countries in 2008. Unfortunately, current spending plans of Development Assistance Committee members only indicate a 1 per cent increase in ODA to least developed countries from 2008 to 2010, which would result in a decline of aid per capita. Thus, concrete steps to increase aid in a reasonable time period should be committed to by donors who have not reached the target of 0.2 per cent of their gross national income. There should be not only proportional but also progressive targeting of ODA and an attempt to scale up ODA to meet the needs identified and prioritized by least developed countries. These priorities include economic infrastructure-building, food security and agricultural and rural development, skills development, social infrastructure to enable universal access to essential services and aid for leapfrogging into green production. Aid for "new" purposes, such as aid for trade and financing for adaptation to climate change, needs to be truly additional and should not divert resources from other internationally agreed goals.

28. At the same time, efforts need to be made to continue to improve the quality of ODA and increase its development impact by building on the fundamental principles of national ownership, alignment, harmonization and managing for results, as agreed in the 2005 Paris Declaration[5] and the 2008 Accra Agenda for Action.[6] This includes, especially, aligning aid by sector with internationally agreed development goals and country priorities, untying aid to least developed countries, and increasing predictability and further debt relief efforts.

29. Specifically, no conditions should be attached to aid that are not in line with the goals of the national development strategies of least developed countries. Capacity-building is the responsibility of least developed countries, with development partners playing a supportive role. Development partners should use a

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[4] See A/C.2/64/3, para. 11.

[5] Paris Declaration on Aid Effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability, adopted at the High-level Forum on the question of "Joint Progress towards Enhanced Aid Effectiveness: Harmonization, Alignment, Results", held in Paris from 28 February to 2 March 2005 (see www.oecd.org/dataoecd/11/41/34428351.pdf).

[6] A/63/539, annex.

country's own institutions and systems and support capacity-building in this area and should avoid the establishment of parallel service delivery mechanisms. Activities that undermine national institution-building should be avoided. Development partners should provide indicative commitments of aid and disburse aid in a timely and predictable fashion. Mutual assessment reviews should be led by recipient countries and should include all stakeholders. Development partners are encouraged to support institutional capacity development so that least developed countries can enhance their absorptive capacities in order to increase the transfer of resources from development partners.

30. Furthermore, in the light of the effects of the financial and economic crisis, it is crucial to ensure that aid systems are flexible enough to react faster when large external shocks occur. Aid needs to be countercyclical to have the largest effect on the economies of the recipient countries, and it should be flexible enough to leave policy space for least developed countries to offset the effects of those shocks. It is therefore necessary to establish a crisis mitigation and resilience-building fund to help least developed countries, as the most vulnerable economies, to withstand the shocks and build their long-term resilience.

31. Progress has been made in recent years on voluntary innovative sources of financing and innovative programmes, such as the Global Action Initiative against Hunger and Poverty, the Leading Group on Solidarity Levies to Fund Development and the United States Millennium Challenge Corporation. These initiatives need to be scaled up and their implementation needs to be expanded further to the disadvantaged people of the Asia-Pacific least developed countries. There is a need to set up special purpose thematic funds dedicated to and earmarked for least developed countries, such as a commodity stabilization fund, a technology fund, a diversification fund and environment-related funds. It is important that least developed countries be able to determine the terms of access to these funds and have equitable representation in their governance.

32. The outstanding external debt of the Asia-Pacific least developed countries in relation to their GDP has increased in the case of island countries. For other least developed countries, the debt-to-GDP ratio has decreased marginally. The lower debt-to-GDP ratio translates into manageable debt servicing and most of these countries had maintained their relatively satisfactory debt position before the onset of the financial and economic crisis through a mixture of strong export growth and prudent external financing.

33. The Policy Dialogue calls for the full involvement of both parties in debt negotiations and notes the importance of taking into account the national policies of debtors and their strategies linked to implementing the Brussels Programme of Action and attaining international development goals, including the Millennium Development Goals. The current global financial and economic crises require the implementation of bold initiatives and mechanisms to resolve the debt problems of the Asia-Pacific least developed countries in an equitable and effective manner. Technical assistance to manage debt and address debt problems is crucial to many least developed countries, especially the most vulnerable ones.

34. Commitments to provide additional resources to least developed countries made at the G8 and G20 summits should be implemented expeditiously and monitored by the international community. Given the far-reaching impact on the least developed countries of policies initiated by the Financial Stability Board of the

G20, it is important that least developed countries be represented in that body. There should be an equitable presence of least developed countries in the governing structure of such funds. The process of ongoing reform of the international financial architecture must address the need for greater representation of the least developed countries in the international financial institutions. United Nations platforms for discourse, such as the United Nations Development Assistance Framework and the United Nations Development Group, may liaise more intensively with governments and other development partners for the enhanced and speedy allocation of aid.

3. Climate change

35. Climate change is a serious challenge that threatens to wipe out development gains in many least developed countries, in a number of cases posing a threat to their physical existence itself. Most least developed countries are on the front line of climate change and have diverted scarce resources meant for socio-economic development to adaptation and mitigation programmes. Therefore, funds promised by developed countries at the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15) in Copenhagen need to be disbursed urgently. The commitments made by developed countries to provide new and additional resources for climate change mitigation and adaptation should be fast-tracked and the allocation of resources should be prioritized for least developed countries, as they are among the most vulnerable countries. The flow of resources to the least developed countries must be guaranteed to counter the adverse effects of climate change, as well as any external shocks, such as financial or food-fuel crises.

36. The Policy Dialogue calls for a clear and transparent mechanism to govern the disbursement of funds to implement mitigation and adaptation programmes in the least developed countries, as promised at COP 15. Priority should be given to those least developed countries that are most vulnerable to the effects of climate change and natural disasters.

37. A new development strategy and development cooperation compact based on green growth to deliver a new green deal for least developed countries is required to assist them in fostering more inclusive and sustainable development. The least developed countries need to be assisted by transfer of technology and access to financing to upgrade infrastructure and production capacity to make them more environmentally friendly and at the same time to enable these countries to speed up structural transformation. The least developed countries and their developed country partners must work together to ensure green production and consumption patterns.

B. Effective international and domestic policies in the light of the outcome of the regional review and new and emerging challenges and opportunities

1. Growth and macroeconomic policies

38. The Asia-Pacific least developed countries need to maintain strong macroeconomic fundamentals aimed at sustained and high economic growth leading to expanding employment opportunities, with macroeconomic stability, including low and stable inflation, and sustainable domestic and external imbalances.

39. Countries need to utilize the full scope of appropriate countercyclical policies to maintain economic and financial stability in the face of domestic and external shocks; they would help avoid abrupt economic fluctuations, which could have a negative impact on income distribution and resource allocation.

40. The Asia-Pacific least developed countries should focus on sector-specific development policies, including agricultural and industrial policies, infrastructure development and the promotion of pro-poor growth, but these policies must be tailored to country circumstances. Specifically, they need to ensure a proactive role for public investment in creating a virtuous cycle of investment and spurring inclusive growth. For that reason, the countries need to implement fiscal and tax reforms, improve budgetary processes, improve the quality of public expenditure, promote financial inclusion through creative monetary policies and enhance the transparency of public financial management. The efficient and equitable use of scarce resources is one cornerstone of good governance.

2. Poverty, hunger and food security

41. Having assessed the current situation of poverty and hunger in the 15 Asia-Pacific least developed countries and examined why poverty and hunger persist in these countries, the Policy Dialogue notes that progress achieved so far shows larger reductions in poverty in those living close to $1 a day than those living in ultra-poverty in most of these countries, implying that the benefits of growth have accrued more to those living close to the $1 a day poverty line than those living further away from it. The Policy Dialogue calls for greater policy attention to be paid to the extremely poor and most vulnerable groups, including indigenous peoples and those living in remote areas.

42. The overall progress against hunger has also been slow. While the incidence of food energy deficiency has improved somewhat in several countries, progress in terms of reducing the share of underweight children and achieving a decline in the under-5 mortality rate has been slower, resulting in slower progress towards the achievement of the Millennium Development Goals.

43. Policies are needed to expand the limited endowments of the poor and the vulnerable groups. They would include measures to enhance the quantity and quality of endowments of the poor groups, for example, expanding ownership and access to productive assets by improving credit markets; implementing redistributive policies and removing entry barriers; expanding human capital through access to education and skills; reducing vulnerability and enhancing capacity to absorb shocks by introducing insurance programmes for the poor and expanding health services; reducing gender discrimination and empowering women; providing social security and safety nets; and undertaking targeted measures of various kinds.

44. In the Asia-Pacific least developed countries, comprehensive, sustainable and inclusive development remains the priority. For this, as opposed to the narrow view of social protection as safety nets and short-term responses to crises and shocks, a broader perspective of social protection is necessary, involving both social protection and livelihood promotion.

45. Most Governments of Asia-Pacific least developed countries hold national stocks of rice or other staple foods, so that they can serve as buffers at times of volatile prices and food insecurity. Building and managing national food stocks,

however, can be complex and expensive. The Comprehensive Framework for Action of the United Nations High-level Task Force on the Global Food Security Crisis has urged countries to use national stocks of food to stabilize prices in the short term at times of price volatility and suggests that, rather than holding national stocks, it would be better to develop regional stocks or make food reserve agreements.

46. The Policy Dialogue notes that food security depends as much on income as on food availability. People who have sufficient income are more likely to have adequate access to food. Thus, effective efforts to eliminate poverty and enhance the purchasing power of the poor and other vulnerable groups will contribute towards ensuring food security. In that regard, there is a need to establish and strengthen public food distribution systems that target food support to poor households, particularly those whose members are weak or sick. Governments could consider having such food distribution systems managed by civil society groups, local enterprises or groups of small farmers. Comprehensive social protection systems can also play a vital role. Guaranteed employment for food-insecure groups is a major means of ensuring economic access to food. Public employment guarantee schemes not only ensure a minimum level of food consumption, but also help people to avoid resorting to damaging coping mechanisms that involve asset sales and indebtedness. School feeding programmes are critical in providing basic nutrition to children while encouraging attendance. Food for works and similar programmes are important to provide access to food during lean periods and other emergencies.

47. Over several decades, underinvestment in the agricultural sector has restricted productivity growth and undermined food security. The affordability and accessibility of food should be ensured to all in dealing with hunger, with the strong partnership and cooperation of the international community. In addition, the agricultural sector in many Asia-Pacific least developed countries is characterized by insufficient rural infrastructure and limited access to markets, especially for smallholders. These obstacles will be exacerbated by the effects of climate change, namely the risk of increased crop failure, new patterns of pests and diseases, lack of appropriate seeds and planting material, and loss of livestock. It is essential to revisit the implementation of measures to support the agricultural sector in initiating a new green revolution, including the conservation of natural resources and improved water management. In that context, special regional programmes for revitalizing the agricultural and rural economies in the Asia-Pacific least developed countries could form the basis for ensuring regional food security. Improved partnership among least developed countries through knowledge hubs and effective networking is needed. United Nations agencies and other development partners, with ESCAP, the Food and Agriculture Organization of the United Nations (FAO) and other agencies in the lead, could form regional information and knowledge networks and a database on food security, and share proven technologies, robust regional programmes and experiences gained in food security initiatives.

3. Strengthening productive and supply capacities

48. Scaling up, diversifying, technological upgrading and building a critical mass of productive capacity in agriculture, manufacturing and services in least developed countries are essential to bring about their structural transformation, overcome economic vulnerability and generate employment to absorb their large and preponderantly young labour force. They are also vital for poverty reduction and inclusive development. Effective domestic resource mobilization and institution-

building by least developed countries have to be supported by development-oriented FDI and targeted ODA, as well as trade policies of development partners that create favourable conditions for productive capacity-building. Fostering growth in the scale and scope of indigenous enterprises and their ability to partner with global enterprises and with production and retail chains and networks also requires support.

49. A dynamic, well-functioning and socially responsive business sector in Asia-Pacific least developed countries will be the key to generating sustainable economic growth. In this context, it is vital for the Asia-Pacific least developed countries to create financial infrastructures that provide access to a variety of financial services and products, especially to small and medium-sized enterprises and microenterprises, with particular emphasis on women, the poor and those in rural areas. This requires a diversified, well-regulated and inclusive financial system that promotes savings and channels them to productive investments, especially in rural areas. The domestic supply of long-term capital also needs to be increased by developing domestic capital markets.

50. Microfinance, including microcredit, is an effective tool in generating employment, especially self-employment, improving the well-being of poor households, including women, in the Asia-Pacific least developed countries, empowering individuals and communities, and initiating social development. Governments should provide appropriate and coordinated support to meet the rising demand for microfinance, including capacity-building for microfinance institutions.

51. The optimum pace and sequence of trade liberalization depends on the specific circumstances of each Asia-Pacific least developed country, based on its costs and benefits. Trade liberalization needs to be complemented by appropriate actions taken by countries to expand production and trade capacities; develop human resources, basic infrastructure and technologies; and implement safety nets for vulnerable groups.

52. Human and institutional development in the Asia-Pacific least developed countries is a key priority. The realization of potentials requires higher investments in human capital, especially in education and health, in accordance with country-specific strategies, the creation of employment and decent work opportunities, and the adoption of inclusive social policies. Supportive policies are needed to foster diverse local and supportive industries, including small and medium-sized enterprises, to create productive employment and strengthen local communities. Along with the provision of, and access to, financial and credit services, measures are needed to integrate the poor into productive processes, invest in their labour skills and facilitate their entry into formal labour markets. In addition, greater investments are needed to ensure universal access to basic economic and social infrastructures, create inclusive social services and support capacity-building, focusing on the specific needs of women, children, older persons and persons with disabilities, with the aim of enhancing social protection. The Policy Dialogue calls for significantly enhanced international support for the efforts of least developed countries in developing their human and institutional capacity.

53. Technological development diffusion and upgrading in least developed countries are important factors in strengthening productive and supply capacities. The science and technology and research and development capacities of these countries need to be built up both through national programmes and supported by international institutions and programmes. It is timely to consider setting up a

technology bank for least developed countries, which could transfer key technologies, including pro-poor, green, agricultural and renewable energy-related technologies.

54. In order to address the development challenges facing the Asia-Pacific least developed countries, it is vital to take specific measures to support creative, inventive and innovative activities across all economic sectors, including the involvement of universities and research institutions, and to emphasize the need for the commercialization of research outputs.

55. Least developed countries should be fully assisted in meeting all their technological development and adaptation objectives. The creation of an enabling national environment for technological capacity-building should be supported by all organizations and development partners. Least developed countries should be fully supported in the formulation of national innovation strategies and access to technological and scientific information for development.

4. Gender

56. Gender equality and women's empowerment are essential to achieving sustainable and inclusive development in the Asia-Pacific least developed countries. It requires the elimination of gender-based discrimination in all its forms, including in the labour and financial markets, as well as in the ownership of assets and property rights. The key would be to promote women's rights and economic empowerment, to effectively mainstream gender in law reforms and business support services, and to give women full and equal access to economic resources. Least developed country Governments need to reinforce gender-responsive public management, including gender budgeting, at all levels.

57. It is important for the least developed countries to work towards creating an environment in which women can play a more active role in adapting to climate change impacts and in ensuring the food and livelihood security of their households, especially in the ecologically vulnerable areas. In addition, inclusive collective actions with a focus on developing social capital, involving the local government, can play effective roles in enhancing adaptive capacities at the community level through various means, such as strengthening local voices, promoting efficiency and accountability in local government structure, and shaping the nature of climate change vulnerability among different vulnerable groups, especially women.

5. Infrastructure

58. The expansion and maintenance of infrastructure, including for transport, energy, water, and information and communications, should remain central in a new programme of action, as they are vital for the development of productive capacity as well as for combating poverty. To achieve the necessary scaling up of infrastructure provision, all stakeholders, including the public and private sectors in least developed countries and development partners, need to work together. In addition, a regional approach to the provision of infrastructure would help to overcome bottlenecks and increase efficiency. It could include the sharing of best practices in public-private partnerships for infrastructure development and delivery. Both bilateral and multilateral ODA have a key role to play in building economic and social infrastructure, particularly one that promotes universal access to essential

services, such as water, sanitation, energy, transport, shelter, health and education. FDI also has to be mobilized in synergy with ODA.

59. For the Asia-Pacific least developed countries, it is urgent to move towards a sustainable energy paradigm involving three important elements: quality of economic growth, reliance on greater energy efficiency and renewable energy, and strengthened efforts in mitigating and adapting to the effects of climate change. In addition to exploring the benefits of indigenous technologies more fully, Asia-Pacific least developed countries need to find effective ways to expand access to modern energy services to rural areas and to the poor. Greater regional cooperation in the development of clean energy technologies and movement towards low-carbon economies with reliable and sustainable energy supplies and energy efficiency are important for Asia-Pacific least developed countries to move forward, as are cooperative programmes for exploiting regional renewable energy resources. The Policy Dialogue calls for greater access to and the transfer of appropriate technologies to assist least developed countries in realizing their sustainable development priorities.

6. South-South, triangular and regional cooperation

60. The global financial crisis has exposed the shared vulnerability and interdependence of the Asia-Pacific least developed countries and other regional partners, while the global economic crisis has highlighted the limitations of the "manufactured in Asia, consumed in the West" model. There is an urgent need to reorient the Asian economies and find new engines of growth to sustain the Asia-Pacific region's dynamism, which would contribute to the achievement of inclusive development by the region's least developed countries. The reorientation of Asia-Pacific economies requires a greater dependence on domestic and regional consumption. With more than half of the world's poor living in Asia and the Pacific, especially in the least developed countries, the region has the potential to create millions of new consumers. Poverty reduction and development in the least developed countries should therefore occupy centre stage in development policy at the regional and subregional levels. Another aspect of the reorientation of the Asian economies relates to exploiting the potential of South-South, triangular and regional economic cooperation in Asia and the Pacific. Such regional economic integration processes could assist the least developed countries in securing access to larger markets and help them to build their supply capabilities by linking them to the regional production value chains. Furthermore, there are major opportunities in Asia and the Pacific for financial cooperation in generating additional aggregate demand while narrowing the development gaps by facilitating investments in infrastructure development in least developed countries and poorer countries. The region needs a financial architecture to facilitate the recycling of its huge savings and to find investment opportunities within the region for inclusive development. Such a regional architecture could be critical for sustaining the dynamism of Asia and the Pacific, including the least developed countries, while strengthening the region's resilience to financial crises.

61. The Policy Dialogue calls for greater regional and technical cooperation to support capacity-building for the development of a comprehensive framework for sustainable agriculture and forestry; climate change assessment, adaptation and mitigation; social protection and national food security programmes; effective food information systems; and the sharing of best practices in development.

62. South-South cooperation, especially the Global System of Trade Preferences among Developing Countries, should be strengthened, taking into account the special trade and economic needs and prospects of Asia-Pacific least developed countries. It is satisfying to note the increasing trend of developing countries in the Asia-Pacific region assisting their least developed country partners in capacity development and duty-free and quota-free access to their markets. Regional integration and bilateral trade and economic cooperation are important as useful instruments to expand the trade and investment of the Asia-Pacific least developed countries. Regional agreements need to promote the sustainable development of the least developed countries and should be directed to support South-South trade and cooperation initiatives, including triangular cooperation. The Policy Dialogue emphasizes the importance of strengthening regional and subregional connectivity in all different modes, such as highways, railways, waterways, pipelines and information highways, to exploit the synergies for mutual benefit. The Policy Dialogue also urges ESCAP and its regional institutions and offices to work with other regional bodies and international organizations, funds and programmes, such as FAO, the United Nations Development Programme, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization, the World Intellectual Property Organization and WTO, in strengthening the capacity of least developed countries to harness the opportunities and benefits of regional and subregional cooperation. The agenda of least developed countries should be mainstreamed in all forums so that the concerns, interests and aspirations of these countries are fully taken into account and acted upon.

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Provisional agenda

1. Election of the Chair.
2. Adoption of the agenda of the organizational session.
3. Election of officers of the Bureau.
4. Adoption of the agenda and organization of work for the first session of the Intergovernmental Preparatory Committee.
5. Organizational preparations for the Conference.
6. Other matters.

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